



Oyu Tolgoi LLC

Human Resources and Training

HR-G2: Equal Employment Opportunity Policy

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Introduction

1. Policy Number

This document is known as ***HR-G2: Equal Employment Opportunity Policy***.

2. Purpose

The purpose of the Equal Employment Opportunity Policy is to establish the Company's commitment to the provision of an environment which fosters mutual respect, inclusion and working relations free of discrimination, harassment, bullying, vilification and victimisation for all individuals.

3. Application

This policy applies to:

- all Company employees;
- International Assignees;
- contractors;
- visitors, customers and suppliers; and
- all candidates seeking employment with the Company.

Any subsequent changes to Rio Tinto global policies and standards, Mongolian Laws or the Collective Agreement may result in changes to this policy.

4. Commencement

This policy applies from ***2 January 2013***.

5. Authority and Management

The ***Vice President Human Resources and Capability Development*** approved this Equal Employment Opportunity Policy on 2 January 2013.

It will be reviewed annually.

The ***Principal Advisor Employee Relations*** is the custodian of this Equal Employment Opportunity Policy. Any requests for changes to this Policy must be addressed to this person and will be subjected to the appropriate review and approval processes.

Policy

1. Equal Employment Opportunity policy

1.1. Overview

The Company is committed to providing a workplace that is free from discrimination, harassment, bullying and victimisation and where everyone is treated with dignity, courtesy and respect. We believe that by providing such a workplace all employees and contractors will feel safe, secure and free from intimidation when they are at work.

The Company will not tolerate any form of discrimination, harassment, vilification, victimisation or bullying from any employee, contractor or visitor to the Company workplace.

This policy applies while at work, at work related or sponsored functions, while travelling on work related business and on other occasions where interactions between parties have a substantial impact on the workplace.

2. Unacceptable actions and behaviours

The following actions and behaviours are completely unacceptable and must not occur at any time in the workplace or in any work related context such as conferences, work functions and business trips.

2.1. Discrimination

Discrimination is any practice that makes distinctions between individuals or groups so as to disadvantage some and advantage others.

Direct Discrimination occurs where a person is treated less favourably or denied an opportunity or benefit of employment on the basis of an attribute that is irrelevant to the circumstances.

Indirect Discrimination occurs where a rule, policy or practice is imposed that appears fair and neutral but in effect makes it more difficult for an employee, or group of employees, to comply with than others.

2.1.1. Grounds for Discrimination

It is unacceptable for a person is discriminated against on any of the following grounds:

- gender;
- relationship status;
- pregnancy;
- parental status;
- political affiliation;

- age;
- race;
- disability;
- HIV/AIDS status;
- religious belief or religious activity;
- trade union activity;
- sexuality;
- family responsibilities;
- association with, or relation to, a person identified on the basis of any of the above grounds.

2.2. Harassment

Harassment is any unwelcome behaviour that offends, humiliates or intimidates another person. Harassing behaviour can be:

- uninvited or unwelcome;
- intentional or unintentional;
- conducted by one person or a group of people;
- directed to one person or a group of people.

A person's or group's motivation in conducting harassment is irrelevant and harassment will be deemed to have occurred where a reasonable person in the position of the victim would have been offended, humiliated or intimidated.

Workplace harassment can take place outside the workplace. Examples of this include, but are not limited to:

- harassment occurring at out-of-office social events;
- unwanted phone calls to an employee's home; and
- following an employee home from work

Harassment can also happen if an employee goes to another worksite in connection with their job, is harassed themselves or harasses someone working there.

2.2.1. Sexual Harassment

Sexual Harassment is any unwelcome or uninvited conduct of a sexual nature that a reasonable person in the position of the victim would find offensive, humiliating or intimidating.

Sexual harassment may include:

- demands or even subtle pressure for sexual favours or outings;
- uninvited physical contact such as leering, patting, pinching, touching or unnecessary familiarity;
- unwelcome requests/offers for sex;
- intrusive questions or insinuations about a person's private life
- sexual comments, jokes or innuendo;
- name calling;

- display and/or distribution (including electronic transmission) of offensive material such as photographs, pinups, cartoons, graffiti, email attachments or calendars.

2.2.2. General Harassment

General workplace harassment may result from unwelcome or uninvited comments or behaviours that relate to the personal characteristics identified as grounds for discrimination. Behaviours may include, but are not limited to:

- practical jokes or harping;
- stereotyping;
- comments on physical appearance, private life or religion;
- assault;
- distribution or display of offensive material;
- campaigns of isolation or silence;
- behaviours that are generally aggressive, belittling of others, or that humiliate or frighten another person.

2.2.3. Electronic and Written Harassment

Electronic harassment is the transmission, via electronic means such as email, fax or internet, of material that is inappropriate in a work setting and which may be unwelcome, offensive or insulting.

Written harassment is the writing, sending, displaying or storing of written material that is inappropriate in a work setting and which may be unwelcome, offensive or insulting.

Material can be offensive both to those to whom the material is intended, those who are present when the material is transmitted and/or those who are otherwise exposed to it against their wishes.

Employees and contractors must comply with IT-01: Acceptable use of Electronic Resources Standard. This includes the standards of behaviour employees must comply with in relation to email, internet and computer usage.

It is a common misconception that electronic communication is private. All email correspondence created, sent, forwarded, stored or printed using the Company's network is the company's property. The Company reserves the right to inspect the company's email and computer systems at any time without notice. For more information on this, please refer to IT-01: Acceptable use of Electronic Resources Standard.

2.3. Vilification

Vilification is the incitement of hatred towards, serious contempt for, or ridicule of, a person or group of persons.

It is unacceptable for any person to vilify another at any workplace controlled by the Company on the basis of:

- gender;
- race or nationality;
- religious belief or activity; or
- sexuality.

Any person found to have vilified another person, or participated in that vilification, at any workplace will be subject to disciplinary action, including possible termination of employment.

2.4. Bullying

Workplace bullying is a form of harassment that is particular to the workplace. It is unreasonable behaviour that is persistent, and that demeans and humiliates employees, either as individuals, or in a group. Bullying can have a serious impact on the health, safety and wellbeing of an employee.

Examples of bullying include, but are not limited to:

- name-calling, making fun of the person or spreading rumours about a person;
- making a person's job more difficult to perform (e.g. by hiding their work equipment);
- being constantly over-critical of a person's performance;
- participating in 'initiation rituals' of new employees which would be reasonably thought to be demeaning of the person;
- unreasonable demands or impossible deadlines;
- deliberate withholding of work-related information or resources required to perform a job or the supply of incorrect information;
- campaigns of isolation and silence; and
- violence against, or threatened violence against, a person.

Bullying can take place between an employee and manager, co-workers, and staff and other workplace participants.

Occasional differences of opinions, conflicts and problems in working relations are part of working life. Appropriate work place counselling (including disciplinary action), which is fair and addresses genuine problems with performance in a constructive manner, is not bullying.

2.5. Victimisation

Victimisation is where a person is threatened or subjected to a detriment as a result of making, proposing to make or assisting another person to make a complaint of discrimination, harassment, vilification or bullying.

It is irrelevant that the complaint may be rejected or that the person elects not to continue with the complaint.

Any person who victimises another person will be subjected to disciplinary action, including possible termination of employment. In addition, they may be liable for prosecution under the relevant law.

2.6. Recruitment, Advancement and Dismissal

The recruitment, status and advancement of employees at Oyu Tolgoi is based on the competence, experience and qualifications of the people involved and decisions must be made free from any form of discrimination, including decisions regarding any of the following:

- recruiting and selecting employees;
- who receives training and what sort of training is offered;
- who is considered and selected for transfer, promotion, retrenchment or dismissal.

The Company may implement recruitment and development programs aimed at specific groups where these are authorised or required by law.

3. Breach of the policy

3.1. Reporting and Investigation of Breaches

Any alleged breach of this policy should be reported and will be investigated in accordance with the HR-H2.1: Grievance and Fair Treatment procedure.

The Vice President Human Resources and Training must be notified of all EEO issues and the employee must be advised that this will occur.

The Company's Human Resources team will investigate complaints made by its employees. Where the conduct involves an employee of a contractor, the Company will inform the contractor's management that EEO allegations have been made and require the contractor to conduct further investigations and take appropriate action.

Where a third party complains about the conduct of a Company employee, the Company Human Resources team will investigate the conduct as an EEO incident.

3.2. Consequences of Breaching the Policy

Breaches of this policy will not be tolerated. Severe penalties can be incurred by employees and/or the Company for any breach of relevant laws. Any person, who is found to have breached this policy, will;

- If an employee – be subject to disciplinary action, up to and including termination of employment; or
- If a contractor or visitor – may be removed from the workplace and barred from entering the work place in future unless VP HR approval is granted.

3.3. Criminal Procedures

Some forms of severe discrimination and harassment (e.g. vilification, victimisation, sexual assault, stalking, indecent exposure, obscene phone calls) may constitute criminal conduct.

While the Company is committed to resolving harassment complaints within the organisation, criminal behaviour is not suited to internal resolution and shall be referred to the relevant authority. Any alleged criminal offences should be referred immediately to Human Resources. Employees will then be advised of their option of police support or intervention. Human Resources will not report such matters to police on behalf of the complainant.

5. EEO Education and Training

4.1. Available EEO and Diversity Education and Training

All employees and contractors will have access to the EEO policy.

All employees and contractors will complete EEO information and awareness sessions at the time of their induction and annually thereafter.

Roles and Responsibilities

1. Employees

Employees are accountable for:

- complying with this policy;
- associating all relevant trainings;
- ensuring that their fellow employees are treated in non-discriminatory manner.

2. Company

The Company is accountable for:

- undertaking to investigate and attempt to resolve any alleged breaches and/or complaints in a manner that does not generate further discrimination or victimisation of individuals involved in making, supporting or resolving the complaint.

3. Contractor

Contractors are accountable for:

- acting in accordance with the principles of this policy whilst engaged by the Company;
- Contractor management has a duty to report incidents to Oyu Tolgoi HR as they occur with the resolution and actions taken;
- Contractors are to have the necessary infrastructure to investigate conduct by their employees that allegedly breach EEO principles.

Appendices

1. Definitions

In this policy document the following outlines the key terms and their meanings:

- **The “Company”** – The business units/functional groups of Oyu Tolgoi LLC;
- **Employee** – An individual who has entered into a contract of employment or employment agreement with Oyu Tolgoi LLC and who performs work for Oyu Tolgoi LLC under this arrangement;
- **Equal Employment Opportunity** – The demonstration of fairness and merit in workplace behaviours and in all employment related systems, policies, procedures, thus developing a workplace free from discrimination, harassment and bullying;
- **Discrimination** – Discrimination is any practice that makes distinctions between individuals or groups so as to disadvantage some and advantage others.;
- **Harassment** – Harassment is any unwelcome repeated, unreciprocated behaviour that offends, humiliates or intimidates another person;
- **Bullying** – Bullying is unreasonable behaviour that is persistent, and that demeans and humiliates employees, either as individuals, or in a group;
- **Vilification** – Vilification is the incitement of hatred towards, serious contempt for, or ridicule of, a person or group of persons;
- **Victimisation** – Victimisation is where a person is threatened or subjected to a detriment as a result of making a complaint of discrimination, harassment, bullying or vilification, proposing to make a complaint, or assisting another person in making a complaint;
- **Diversity** the recognition, respect and valuing of the differences of all individuals; and
- **Inclusion** the extent to which individuals feel valued and included by the Company

2. Related Policies

The following processes support the execution of the Equal Employment Opportunity Policy:

- Recruitment and Selection Policy;
- The Way We Work;
- Rio Tinto Data Privacy Standard;
- Performance and Discipline Policy;
- Grievance and Fair Treatment Policy;
- Acceptable Use of Electronic Resources Standard;
- Employment Policy; and
- Separation of Employment Procedure.

3. Policy Review – Stakeholder Engagement

During the development of this policy, all key stakeholders in Oyu Tolgoi LLC have been consulted and provided input where needed.

This stakeholder engagement will be different for each document, but for this policy the following key stakeholders (including those in the wider Rio Tinto Group) were consulted prior to approval:

- Nicolas Saunders – Principal Advisor Employee Relations;
- Battuya Jalbasuren – Senior Legal Manager;
- Nadia Sodnom – Senior HR Manager;
- Erdenebileg Jugjinnorov – HR Superintendent.

4. Mongolian Laws and Regulations Review

Through putting forward this policy for review and approval, the policy owner acknowledges that a review of the implications of the implementation of this document under Mongolian laws and regulations for Oyu Tolgoi has been completed.

This review has identified the following Mongolian laws and regulations that are relevant to this policy, and the implications of these laws and regulations has been included into the document.

- Labour Law, 1999;
- Law on Gender Equality, 2011;
- Law on Minimum Wage, 2010;
- Civil Code, 2002;
- Law on Social Protection of Disabled Persons, 2005;
- Law on trade union rights, 1991; and
- Supreme Court Interpretation of Some Provisions of Labour Law, the Supreme Court Decree No: 33, 2006

Document Information

File Name	HR-G2: Equal Employment Opportunity Policy
Description	Establishes the Company's commitment to the provision of an environment which fosters mutual respect and working relations free of discrimination, harassment and bullying for all.
Original Author(s)	Jared Armstrong
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Revision History

Version	Revision Date	Author(s)	Revision Notes
1			
2			
3			

Document Approval

Date	Approver Name	Approver Signature	Company Seal Stamp
28/12/12	<u>OT policy Owner:</u> Nicolas Saunders Principal Advisor Employee Relations		
28/12/12	<u>Policy Approver:</u> Michael Beck VP Human Resources & Capability Development		