

**ENVIRONMENTAL AND SOCIAL ACTION PLAN
GATSUURT GOLD MINE, MONGOLIA (THE 'PROJECT')**

FINAL: 7 SEPTEMBER 2016

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
PR1	Assessment and Management of Environmental and Social Impacts and Issues						
1.1	Submit an environmental and social report to the EBRD on the environmental and social performance of the Project and the status of the implementation of this ESAP.	EBRD reporting requirement	EBRD PR 1	Company ² resources	<p>During construction: Environmental and social report and ESAP progress update to the EBRD every quarter for the duration of construction phase.</p> <p>During operation: Annual environmental and social report and ESAP progress update to the EBRD within 60 days of Company year-end for the duration of EBRD financing of the Project.</p>	<p>Environmental and social reports (template to be provided by the EBRD) and ESAP progress updates received.</p> <p>Reports and progress against this ESAP satisfactory to the EBRD.</p>	

¹ 'Environmental and social' includes occupational and community health, safety, and security, as well as human resources matters and working conditions.

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1.2	<p>Extend, and where necessary update and revise, the existing environmental, social health and safety (ESHS) management system and associated procedures and provisions to the Project, including its construction, operation and closure. Ensure adequate ESHS resources are in place to implement the ESHS management system, procedures and management plans.</p>	<p>Appropriate management of environmental and social issues through implementation of a formal management system</p>	<p>EBRD PR 1 Best practice</p>	<p>Company resources Assign responsibilities</p>	<p>Updates and revisions in place before construction, operation and closure where relevant. Implementation as required.</p>	<p>EHS management system updated and revised to include the Project. EHS management system implemented and applied to the Project during construction, operation and closure. Adequate ESHS resources in place.</p>	
1.3	<p>Develop the existing framework environmental and social management and monitoring plans developed as part of the Project ESIA package into fully detailed plans and integrate them into the EHS management system.</p>	<p>Management and monitoring of environmental and social issues through implementation of appropriate management and monitoring plans.</p>	<p>EBRD PR 1 Best practice</p>	<p>Company resources External consultants, if required Assign responsibilities</p>	<p>Prior to construction, operations and closure where relevant.</p>	<p>Fully developed environmental and social management and monitoring plans in place and implemented.</p>	

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1.4	Ensure that the necessary provisions are in place to manage environmental, health and safety and labour risks associated with contractors and suppliers including the inclusion of the necessary clauses in tenders and contracts and regular Company monitoring and audits of contractor and supplier performance.	Management and monitoring of potential contractor environmental, health and safety and labour risks.	EBRD PR 1 and 2 Best practice	Company resources Assign responsibilities	In place prior to appointment of contractors or suppliers. Management and monitoring during contracting periods.	Adequate provisions in place to manage contractor and supply chain environmental, health and safety and labour risks.	
1.5	Maintain an appropriate mine closure and reclamation plan with regular updates and revisions as required. This will be coupled with appropriate financial provisions for closure costs.	Mine closure and reclamation management	PR 1, PR 3 and PR 6	Company resources Consultant inputs if required	Revision every 3 years with a detailed plan in place 3 years prior to closure.	Appropriate mine closure and reclamation plan in place with appropriate financial provisions.	
1.6	Develop a Community Development Management Plan in consultation with local communities and relevant stakeholders to guide implementation of the Social Development Fund to ensure sustainable socioeconomic benefits during the Project life and a positive socioeconomic legacy post mine closure.	Ensure socioeconomic benefits during operations and a positive socioeconomic legacy post mine closure.	Best practice	Company resources	From commencement of operations and continuous	Community Development Management Plan and Social Development Fund in place and implemented.	

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1.7	Implement the additional measures identified in the Social Impact Assessment (SIA) and Social Management Plan (SMP) to address artisanal mining issues at the Gatsuurt mine.	Appropriate management of artisanal mining issues	Best practice	Company resources together with authority support	From commencement of construction activities and continuous	Appropriate management of artisanal mining issues associated with the Gatsuurt project.	
PR2	Labour and Working Conditions						
2.1	Ensure that Human Resources (HR) provisions and working conditions for Company employees and contractors are in line with PR 2 and national labour requirements. See 1.4 with respect to contractors.	Appropriate management of Company and contractor labour risks	EBRD PR 2 Labour legislation	Company resources	Prior to construction and during the life of the Project	Company HR provisions and working conditions in line with PR 2 and national labour requirements. Company HR requirements applied to contractors.	

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2.2	Undertake an Employee Standards Review on a regular basis to ensure compliance with EBRD PR 2 requirements and national labour requirements by the Company and by all contractors.	Appropriate management of Company and contractor labour risks	EBRD PR 2	Company resources Consultant inputs if required	During construction (biannually) and operation (annually)	Submission of employee and contractor audit reports Company and contractor HR provisions and working conditions in line with PR 2 and national labour requirements.	
2.3	Ensure that the workers/contractors camp/accommodation to be used or developed at the Boroo Gold Mine meets the requirements defined in the "IFC/EBRD Workers' accommodation: processes and standards" guidance note.	Management of worker/contractor accommodation risks	EBRD PR 2	Company resources Contractors	During camp/accommodation development and use	Worker/contractor camp/accommodation developed and managed in line with the requirements prescribed in the "IFC/EBRD Workers' accommodation: processes and standards" guidance note.	

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2.4	Set up and maintain a formal grievance mechanism for employees, including contractors, at the Project site such that it is accessible, confidential where necessary, allows for the tracking of grievances and includes a timely and transparent feedback process for employees and contractors.	To provide a channel for raising workers' concerns and a transparent, consistent mechanism for grievance resolution. Improved employee-management	EBRD PR 2	Company resources	During construction and operation	Effective management of employee grievances Document grievances and responses to grievances with records maintained.	
2.5	Include in security policy the following provisions, and relevant training on: conflict resolution, crowd management, restraint and cautious exercise of the security activity, proportional use of force (if allowed) and basics of human rights. Keep records of training sessions. Conduct reference checks to ensure candidates do not have any criminal record or record of abuse or violation of human rights (i.e., making internal investigations or asking for penal clearance/ police certificates), even if the recruitment goes through the security contractor.	Conflict management	EBRD PR 2	Company resources	During life of project	Submission of security personnel training records to the EBRD.	

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PR3	Resource Efficiency and Pollution Prevention and Control						
3.1	Develop a detailed water balance for the Project. Maximise areas for water re-use and recycling. Include the capacity of tailings storage facilities base on a detailed probabilistic water balance for the Boroo Gold Mine processing facilities.	Water use efficiency and control	EBRD PR 3	Company resources Consultant inputs if required	Prior to construction and maintained during life of project	Detailed water balance in place. Appropriate monitoring in place.	
3.2	Continue to implement, and update where necessary, existing management procedures and international best practices (such as continued compliance with the International Cyanide Management Code) for the management of the Boroo tailings facility such that it includes the addition of Project related tailings.	Tailings management	PR 3	Company resources	During tailings facility expansion and operations	Existing management procedures maintained, and updated where necessary, and international best practices implemented for the management of the Boroo tailings facility.	
3.3	Develop a full Greenhouse Gas inventory for the Project including direct and indirect emissions (from national grid for example). Update this on an annual basis.	GHG reporting	EBRD PR3	Company resources	Annually	GHG inventory in place and reported to the EBRD as part of annual reporting.	

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3.4	Undertake further additional geochemical test work and associated studies to further define and ensure a robust approach to waste rock management, void management, tailings management and mine closure so as to avoid impacts on water resources during and operations and to achieve self-sustaining landforms post closure.	Waste rock management	EBRD PR3	Company resources Consultant inputs if required	Prior to construction and periodically during operations	Appropriate data in place to inform waste rock management during operation and closure.	
3.5	Include the processing of Gatsuert ore within the scope of the current International Cyanide Management Code (ICMI) certification for the Boroo Gold Mine.	Cyanide risk management	EBRD PR3	Company resources Consultant inputs if required	Within two year of operations commencing on the Project or during the next ICMI certification audit.	ICMI certification in place for operations.	
3.6	Undertake further studies and investigations to determine the final treatment and disposal methods for mine impacted surface water. This would include defining the type of treatment most suitable for the Project, Project water quality limits for discharge and potential impact on water quality and ecology of the receiving environment. This will be undertaken in close liaison with the relevant authorities. The preferred methods will take into consideration any maintenance requirements post mine operations.	Mine water management	EBRD PR3	Company resources Consultant inputs if required	Prior to construction commencing and implemented during life of Project.	Appropriate mine water treatment and disposal methods defined, implemented, maintained and monitored.	

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3.7	Develop a detailed surface water diversion and mine dewatering plan that is designed to divert surface and groundwater before contact with mine area and waste rock and maintain water quality and volumes of diverted flows. The plan will include water quality limits and targets and minimum flow requirements developed in consultation with regulatory authorities.	Mine water management	EBRD PR3	Company resources Consultant inputs if required	Prior to construction commencing and implemented during life of Project.	Appropriate mine water diversion and dewatering methods defined, and limits established for diverted water quality and minimum flow volumes.	
PR4	Health and Safety						
4.1	Regularly engage with communities and relevant authorities with respect to transport related risks along the haul road, haul road management provisions and Company mitigation and safety measures and initiatives.	Community health and safety risk management	EBRD PR 4	Company resources	During life of Project	Regular engagement with local communities and authorities of transport safety management.	

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4.2	<p>Review and update the current emergency response plan in consultation with responsible authorities and communities to cover at least fire, explosion, spills, severe injuries or fatalities, or other events that could reasonably be expected to occur within the lifetime of the Project in line with the EBRD requirements.</p> <p>Trainings and drilling exercises should be conducted on regular basis.</p>	Effective management of H&S risks	National legislation and EBRD PR 4	Company resources	During the life of project	ERP Training records Status updates in the AESR	
PR 5	Land Acquisition, Involuntary Resettlement and Economic Displacement						

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5.1	<p>Implement the specific mitigation measures in the Social Management Plan (SMP) to protect the livelihoods of herders.</p> <p>Include pasture / cropping improvement measures within activities funded through the Soum Development Fund, to:</p> <ul style="list-style-type: none"> • Support herders / farmers to improve herd / crop management and animal / crop health issues leading to improved livelihoods; • Promote herder / farmer joint collaboration initiatives to generate and diversify income; and • Preserve the pasture and livestock sector and nomadic culture. 	Mitigate livelihood losses	EBRD PR 5	Company Resources and Contractor resources	During construction and operation	<p>Regular engagement with stakeholders and land users around the Project.</p> <p>SMP implementation.</p> <p>Effective implementation of agricultural support programmes</p>	

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PR6	Biodiversity and Living Natural Resources						
6.1	Develop and implement, together with the relevant authorities and local stakeholders, an offset programme for the loss of forest areas. This may include improved management and protection of existing forest areas, rehabilitation of forest areas not impacted by the Project and implementation of the mine closure and reclamation plan.	Improved forest conservation and forest management	EBRD PR 6	Company resources Contractor resources	Programme in place prior to operations. Implemented during operations and closure	Forest offset/management programme developed and implemented with authority approval.	
PR8	Cultural Heritage						
8.1	Implement the chance finds procedure during construction works and operations	Management of potential chance finds	EBRD PR 8	Company resources and contractors	During construction works and operations	Chance finds (if any) appropriately managed in line with the chance finds procedure and national legislation.	
8.2	Provide for safe public access to Noyon Mountain locally protected area worship sites from the Gatsuurt access road	Community health and safety risk management and management of access to sites of cultural heritage significance	EBRD PR8 and PR4	Company resources and contractors	During construction works and operations	Public access is maintained with no increased risk to public safety	

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PR1 0	Information Disclosure and Stakeholder Engagement						
10.1	Implement and maintain the stakeholder engagement plan (SEP) for the life of Project. The SEP should be revised and updated on a regular basis. The SEP may be integrated into existing company procedures.	Appropriate stakeholder engagement and information disclosure	EBRD PR 10	Company resources	During ESIA disclosure and for the life of the Project	SEP implemented and maintained. Stakeholder engagement tracker	
10.2	Develop and implement a formal Grievance Mechanism for external stakeholders. . This should include clear means of registering complaints, an action process to resolve them, and recording of complaints and their resolution. Contact details of the relevant Community Relations personnel should be published at the gate of the facilities or directly in local communities. The numbers and grievance procedures will be included within the SEP and should be publicized through the Company website.	Stakeholder grievance management	EBRD PR 10	Internal resources	During ESIA disclosure and for the life of the Project	Grievance mechanism implemented and maintained.	