

ENVIRONMENTAL AND SOCIAL ACTION PLAN

No.	Topic	General Lender Expectation	Compliance Gaps	Required Actions	Target Schedule	Included in Project Cost Model?	Lead Responsible Party
1	<b>Project Impact and Risk Assessment</b>	Recent environmental and social baseline data at an appropriate level of detail	None	Perform monitoring as described in the EMP.	Per EMP schedule	Included	VPS
2	<b>Project Impact and Risk Assessment</b>	Appropriate risk and impact assessment, mitigation strategies and residual impact prediction is presented	None	Continue field monitoring according to EMP commitments and confirm that results have been calibrated with plan designs and field conditions. Update management plans per the plan commitments as monitoring results and interpretations dictate.  Provide a table of input values and assumptions from both groundwater models and to document consistency in future EMP updates.	Per EMP schedule  With next EMP update or prior to commencement of operations	Included  Included	VPS  VPS
3	<b>Organisational capacity and commitment</b>	Lydian will provide adequate support and human and financial resources to achieve effective and continuous environmental and social performance.	There currently is a gap in internal capacity.	Appoint a Vice-President of Sustainable Development (VPS) responsible for implementing the present ESAP and related EHSS and labour management matters.	Prior to construction	Included	CEO
4	<b>Management Systems and Discipline-Specific Implementation Plans</b>	Environmental and Social Management System	None. The content presented in Chapter 8 of the ESIA and its appendices is	The ESMS is not construction-ready. The additional work that needs to be accomplished to bring the ESMS to be fit-for-purpose include:  – Complete Identification and	Prior to construction	\$50,000 if construction-ready plans must be expedited, otherwise	VPS

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			consistent with EBRD requirements and good international industry practice, and is sufficiently developed for purposes of the ESIA	Assessment of Environmental/ Social Aspects and Health and Safety Risks. – Complete the ESHS legal and other requirements register, incorporating commitments made in the ESIA. – Develop the List of Level 2 and Level 3 documents, based on Steps 1 and 2. Address any gaps identified by completing required plans and procedures required to manage risks and legal requirements identified. – Align the ESIA, Management Plans and the Management Systems in the Level 1 documentation, reducing duplication and eliminate any inconsistencies.		included	
5	<b>Management Systems and Discipline-Specific Implementation Plans</b>	Occupational Health and Safety Management System	See No.4 above	Complete additional work as stated above for ESMS to bring the OHSMS to where it is construction-ready.	Prior to construction	\$50,000 if construction-ready plans must be expedited; otherwise included	VPS
6	<b>Management Systems and Discipline-Specific Implementation Plans</b>	Environmental and Social Management Plans (ESMP)	None	Provide a description of the contents of major reports. Every ESMP should have a reporting and continuous improvement section.  Include a similar figure showing the	With each next management plan update but prior to commencement of operations	Included	VPS

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				social and land acquisition program organization analogous to the environmental program organization presented as Figure 8.4 of the ESIA. If it is Lydian's intent to retain the Geoteam Managing Director position with direct reports, this should be clarified in the organization charts.			
7	<b>Management Systems and Discipline-Specific Implementation Plans</b>	Commitments Register (CR) is complete and captures all relevant commitments identified in the ESMPs	None	Establish the program of sulfur speciation testing as part of the operational sampling program, to confirm ARD potential of all mined rock types and update the ARDMP accordingly.  Compliance must be measured against the full CR, not just the Public Commitments Register (PCR).	Update ARDMP prior to operations  Ongoing	Included  Included	VPS  VPS
8	<b>Management Systems and Discipline-Specific Implementation Plans</b>	Management program of mitigation and performance improvement measures	See Number 4 above	See Number 4 above	See Number 4 above	Included	VPS
9	<b>Management Systems and Discipline-Specific Implementation Plans</b>	Discipline-specific action plans identifying measures and actions necessary for compliance	None	Update the EMP to include an ARD sampling program as described in the ARDMP.	With next EMP update or prior to commencement of operations	Included	VPS
10	<b>Management</b>	Adequate reclamation	None	Conduct the research regarding cover system design.	Complete work	Included	VPS

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	<b>Systems and Discipline-Specific Implementation Plans</b>	design and costs presented for mine facilities.		<p>Consider only recycle rising of the HLF.</p> <p>Implement the appropriate conventional packaged active water treatment plant if the treatment trails of the PTS demonstrate standards cannot be met.</p> <p>Clarify which sample will be used as the targeted heap draindown chemistry.</p> <p>Confirm PTS demonstration program in detailed MRCRP two year prior to cessation of operations. Implement an appropriate method of active water treatment if the PTS trials fail to meet discharge standards.</p> <p>Demonstrate the basis for the adequacy of these cost estimate elements.</p> <p>Provide an analysis of the representative probable maximum precipitation (PMP) event for the site and produce any pertinent closure designs to demonstrate the ability to withstand a PMP in closure.</p>	prior to final MRCRP <sup>1</sup> , 2 years prior to cessation of operations		
11	<b>Standards, Efficiency, and</b>	Pesticide and rodenticide use and storage	PR-3, Items 25 through 27	Update ESMS to address PR-3 requirements around pesticide use.	Prior to construction	Included	VPS

<sup>1</sup> Mine Reclamation Closure and Rehabilitation Plan

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	<b>Pollution Prevention</b>						
12	<b>Labor and Working Conditions</b>	Working Relationship, Conditions and Terms of Employment (including Wages and Benefits).	None	Ensure that the commercial aspects of utilizing Jermuk hotel rooms and the willingness of owners to rent are addressed timeously in order to finalize selection of number of hotel rooms required and the size of the workers' camp.	Prior to construction	Included	VPS
13	<b>Labor and Working Conditions</b>	Retrenchment	None	Confirm that contractors' management plans address retrenchment in-line with Armenian labor law and Geoteam Human Resources Policy, and PR2.	Prior to construction	Included	VPS
14	<b>Labor and Working Conditions</b>	Non-employee Workers/ Workers Engaged by Third Parties	None	<p>Confirm that third party contracts oblige contractors to comply with the ESIA commitments and management plans and with Lydian's corporate policies.</p> <p>Confirm that contractors conduct their business in compliance with their contract obligations regarding ESHS.</p>	<p>Prior to construction</p> <p>Ongoing throughout all project phases</p>	<p>Included</p> <p>Included</p>	<p>VPS</p> <p>VPS</p>
15	<b>Community Health, Safety and Security</b>	Community Health and Safety	None	Add metals analysis of dustfall to the AQNVMP <sup>2</sup> and EMP	Prior to operations	Included	VPS

<sup>2</sup> Air Quality Noise and Vibration Management Plan

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16	<b>Community Health, Safety and Security</b>	Ecosystem Services	None	More analysis and planning to be performed regarding changes in access to priority services, including seasonal grazing areas, arable soils and water resources, and that proposed mitigation is vetted in advance with potentially affected stakeholders.	Ongoing	Included	VPS
17	<b>Land Acquisition, Resettlement and Economic Displacement</b>	Competent professionals retained to assist in risk and impact assessment, design and implementation of the LALRP.	None	Ensure appropriate and adequate on-going input of a competent resettlement professional.	Ongoing while land acquisition and livelihoods restoration programs are still in effect	Included	VPS
18	<b>Land Acquisition, Resettlement and Economic Displacement</b>	Community engagement/consultation	None	Confirm continued monitoring of the community engagement process, grievance mechanism (including implementation of improvements as appropriate).	Ongoing	Included	VPS
19	<b>Land Acquisition, Resettlement and Economic Displacement</b>	Compensation for 'orphan land'	None	Confirm that compensation for 'orphan land' has been addressed.	Prior to construction	Included	VPS
20	<b>Land Acquisition, Resettlement and Economic Displacement</b>	Economic displacement-livelihood restoration planning and implementation	None	Ensure resources to fully implement the LALRP expeditiously.	Ongoing	Included	VPS

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21	<b>Land Acquisition, Resettlement and Economic Displacement</b>	Implementation of Corrective Actions.	None	Ensure that corrective actions identified in the course of internal monitoring and evaluation, and in external reviews and audits are implemented timeously.	Ongoing	Included	VPS
22	<b>Biodiversity and Natural Resource Management</b>	Assess significance of impacts on biodiversity and ecosystem services.	Impact assessment for brown bear not complete.	Complete brown bear population studies, and then conduct impact assessment.  See recommendation below on ecosystem services.	Per established plan commitments	Included	VPS
23	<b>Biodiversity and Natural Resource Management</b>	Adaptive management to allow mitigation measures to respond to changing conditions as identified through monitoring.	Monitoring plan development still underway for some values.	Monitoring for: the Arshak set-aside area, <i>Potentilla porphyrantha</i> , brown bears, and Egyptian vulture have commenced. Complete and begin implementing biodiversity monitoring plan for remaining values by 2017, as currently planned.	Per established plan commitments	Included	VPS
24	<b>Biodiversity and Natural Resource Management</b>	Mitigation hierarchy to limit impacts on biodiversity and ecosystem services.	Species action plan for brown bear is not complete.	Complete Species Action for brown bear, may require modifying current mitigation plans.	Per established plan commitments	Included	VPS
25	<b>Biodiversity and Natural Resource Management</b>	Impacts to critical habitat will not occur unless a robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client's management program.	Monitoring plan development still underway for some values. Monitoring of some values should begin with construction.	Monitoring for: The Arshak set-aside area, <i>Potentilla porphyrantha</i> , brown bears, and Egyptian vulture should commence with construction. Complete and begin implementing biodiversity monitoring plan for remaining values by 2017, as currently planned.	Per established plan commitments	Included	VPS

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26	<b>Biodiversity and Natural Resource Management</b>	Impacts to critical habitat will not occur unless the Project does not lead to a measurable adverse impact on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those values.	Impact assessment for Brown Bear is currently underway.	Implement the offset program for the Brown Bear.	Per established plan commitments	Included	VPS
27	<b>Biodiversity and Natural Resource Management</b>	A biodiversity offset compensates for significant residual impacts to natural/critical habitats	No gap if offset is successfully implemented, including financial support during the period that Lydian's impacts persist on natural habitat.	Implement offset.  Document commitment to supporting the offset for the duration of mine's impacts.	Per established plan commitments	Included	VPS
28	<b>Biodiversity and Natural Resource Management</b>	Impacts to ecosystem services should be identified. They should be avoided, and otherwise mitigated to maintain the value and functionality of the services	No evidence of potentially affected stakeholder acceptance of mitigation options	Provide evidence of potentially affected stakeholder acceptance of mitigation options.	Per established plan commitments	Included	VPS
29	<b>Biodiversity and Natural Resource Management</b>	Develop a biodiversity action/management plan that achieves a net gain for the values that trigger	Species Action Plan for brown bear not yet completed.	Complete Species Action for brown bear, may require modifying current mitigation plans.	Per established plan commitments	Included	VPS



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		critical habitat designation					
30	<b>Biodiversity and Natural Resource Management</b>	Avoid introduction of alien species	None	Focus on effective implementation, especially during construction	Per established plan commitments	Included	VPS
31	<b>Cultural Heritage</b>	Identify, protect and support cultural heritage from adverse impacts from Project activities	None	Complete additional surveys and consultation	Prior to land disturbance	Included	VPS
32	<b>Cultural Heritage</b>	Consultation	None	Additional consultation to finalize CHMP <sup>3</sup> , CFP <sup>4</sup> and final mitigation plans	Prior to land disturbance	Included	VPS
33	<b>Cultural Heritage</b>	Implementation schedule and budget for mitigating impacts to cultural resources	None	Confirm that implementation schedule and budget are included in the CHMP and conduct the remaining field surveys.	Prior to land disturbance	Included	VPS
34	<b>Stakeholder Engagement</b>	Information Disclosure	None	Ensure disclosure of updated ESIA and Management Plans	May/June 2016	Included	VPS
35	<b>Stakeholder Engagement</b>	Engagement during Project Implementation, External reporting and on-going Reporting to Affected Communities	None	Confirm additional input to address international advocacy groups and local civil society/ NGOs who may have the potential to influence the Project. Confirm establishment of the independent Stakeholder Advisory	Ongoing	Included	VPS

<sup>3</sup> Cultural Heritage Management Plan

<sup>4</sup> Chance find procedure

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				Board.			
36	<b>Stakeholder Engagement</b>	Staffing Resources	None	Review adequacy of staffing resources for stakeholder engagement on an on-going basis, particularly during construction.	Ongoing	Included	VPS
37	<b>Stakeholder Engagement</b>	Level of Stakeholder Support for Project	None	Confirm an appropriate plan and process to engage with Jermuk residents, NGOs/ civil society and others who oppose, or may oppose, the Project.	Ongoing	Included	VPS
38	<b>Stakeholder Engagement</b>	Contractors and Community Relations Capacity	None	Confirm that contractor management plans are consistent with Geoteam commitments.	Prior to construction	Included	VPS
39	<b>Stakeholder Engagement</b>	Lydian will take into consideration the views of the affected parties on matters that affect them directly.	None	Update the ESIA and/or ESAP as appropriate based on the outcomes of the consultation activities during the ESIA disclosure period.	At the end of the disclosure period.	Included	VPS