SECTION D: ENVIRONMENTAL AND SOCIAL CONSTRUCTION
MANAGEMENT PLANS

CHAPTER D14: STAKEHOLDER ENGAGEMENT CONSTRUCTION MANAGEMENT
PLAN

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14 STAKEHOLDER ENGAGEMENT PLAN – CONSTRUCTION PHASE

14.1 INTRODUCTION

The Stakeholder Engagement Plan (SEP) is designed to ensure effective engagement with local communities and other key stakeholders during the construction, operation, and closure phases of the Oyu Tolgoi Project. The SEP builds on the historical engagement work which commenced with early exploration activities in 2002. Since this time, Oyu Tolgoi has maintained frequent dialogue with local communities (affected parties) together with other interest groups such as non-government organisations (NGOs), local and regional regulators, community-based organisations (CBOs) and public interest groups. Oyu Tolgoi is committed to continuous consultation as the Project reaches an advanced stage of construction and through the subsequent Project stages.

14.2 OBJECTIVES

The specific objectives of the Stakeholder Engagement Plan are to:

- Outline the applicable standards with regards to effective stakeholder engagement;
- Identify stakeholders and their interests and/or issues of concern;
- Define the consultation methods and requirements for stakeholder engagement;
- Present a specific Action Plan for stakeholder engagement going forwards;
- Provide a grievance mechanism for local communities;
- Define roles and responsibilities;
- Define monitoring and reporting procedures; and
- Define training requirements.

14.3 SCOPE

The Stakeholder Engagement Plan is part of the suite of Management Plans developed by Oyu Tolgoi to cover the construction phase of the Project and to take the Project into operations and closure. The plan covers all Project activities that require engagement with local communities and other stakeholders.

14.4 PROJECT STANDARDS

Set out below is an outline of the applicable standards.

14.4.1 Mongolian Laws and Requirements

The legislative framework of Mongolia regulating social requirements and protection of the environment is based on a series of laws, codes and decrees, the majority of which were adopted in the 1990s. The Minerals Law (2006) and the Environmental Impact Assessment Law (1998, amended 2001) provide the right to citizens to be informed about development projects and to be involved in environmental protection activities.

In October 2009, Ivanhoe Mines, Oyu Tolgoi and Rio Tinto PLC signed an Investment Agreement (IA) with the Government of Mongolia. The IA is legally binding between the signatory parties. The IA sets out specific requirements related to stakeholder engagement for the Project, including requirements for consultation with local communities, disclosure of Project documents and engagement with regional and national government authorities.

A full copy of the Investment Agreement can be found on the Oyu Tolgoi website (www.ot.mn). Key clauses in relation to stakeholder engagement are set out in Table 14.1 below.
Table 14.1: Investment Agreement Requirements: Consultation and Engagement

<table>
<thead>
<tr>
<th>Clause</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5</td>
<td>“…..the Investor will support socio-economic development policies and activities undertaken by Southern Gobi local administration and will develop partnerships to ensure that sustainable benefits from the Oyu Tolgoi Project reach Mongolian people, including people in Omnogovi Aimag.</td>
</tr>
<tr>
<td>4.6</td>
<td>The Investor shall conduct all of its local and regional socio-economic development programmes and activities based on principles of transparency, accountability and public participation.</td>
</tr>
<tr>
<td>4.7</td>
<td>The Investor shall continue to prepare, conduct, implement, update on an appropriate basis, and make public socio-economic baseline studies, socio-economic impact assessments, socio-economic risk analyses, as well as multi-year communities plans, community relations management systems, policies, procedures and guidelines, and mine closure plans, all of which shall be produced with community participation and input and be consistent with international best practice.</td>
</tr>
<tr>
<td>4.8</td>
<td>The Investor shall give priority focus to those Omnogovi Aimag citizens and groups directly and indirectly impacted by the Oyu Tolgoi Project, as determined by socio-economic and environmental impact assessments and other applicable documents and, for this purpose, the Investor shall regularly engage with and support the public and local stakeholders in Omnogovi Aimag.</td>
</tr>
<tr>
<td>4.9</td>
<td>The Investor shall establish cooperation agreements with local administrative organisations in accordance with Article 42 of the Minerals Law and these agreements may include the establishment of local development and participation funds, local participation committees and local environmental monitoring committees.</td>
</tr>
<tr>
<td>4.10</td>
<td>The Investor will consult with local administrative organisations to provide appropriate compensation upon resettlement of herder families located on the Contract Area who are directly impacted by the Oyu Tolgoi Project.</td>
</tr>
<tr>
<td>4.11</td>
<td>The Investor shall make as a priority training, recruiting and employing citizens of local communities in the Southern Gobi region, with preference to Omnogovi Aimag.</td>
</tr>
<tr>
<td>4.12</td>
<td>The Investor shall support special business development programmes to assist in starting and growing local businesses so they can supply the Oyu Tolgoi Project, as well as the expansion and diversification of Mongolian business partners so that they are not fully dependent on the Oyu Tolgoi Project.</td>
</tr>
<tr>
<td>4.13</td>
<td>The Investor shall continue to actively build and maintain productive working relationships, based on principles of transparency, accountability, accuracy, trust, respect and mutual interests, with non-governmental organisations, civic groups, civil councils and other stakeholders.</td>
</tr>
<tr>
<td>6.5</td>
<td>The Investor shall make the Environmental Protection Plans (EPP) and independent reports available to the public, provide local communities with sufficient relevant information and regularly consult with local communities on the impact of its operations on the local environment.”</td>
</tr>
</tbody>
</table>


The requirement for all projects that intend to use natural resources for a commercial gain to undertake a Detailed Environmental Impact Assessment (DEIA) is stipulated in the Mongolian Law on Environmental Protection (1995). This Law was enacted in 1998 and outlines the process that needs to be undertaken to meet these requirements. Public involvement in the DEIA process is explicitly required by this law. Article 5.4 of the EIA Law requires the opinion of local residents of the area to be addressed in undertaking and preparing an Environmental Impact Assessment. There is no specific requirement under EIA law to demonstrate how the opinions of local residents will be reflected in design or operational aspects.


The Minerals Law allows a three year period at the expiry of the exploration licence for a feasibility study and an Environmental Impact Assessment to be completed. Article 42 includes a requirement for the proponent to develop participation agreements with affected people.
14.4.4 International Finance Corporation Performance Standards

International Finance Corporation (IFC) Performance Standards for Social and Environmental Sustainability (2006) set out the following recommendations with regard to stakeholder engagement (Performance Standard #1):

- “An effective social and environmental management system...involves communication between the client, its workers and the local communities directly affected by the project”;
- “Ensure that affected communities are appropriately engaged on issues that could potentially affect them”;
- “…the client will identify individuals and groups that may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status....”;
- “Community engagement is an on-going process involving the client's disclosure of information”;
- “When local communities may be affected by risks or adverse impacts from a project, the engagement process will include consultation with them”;
- “The purpose of community engagement is to build and maintain over time a constructive relationship with these communities”;
- “The nature and frequency of community engagement will reflect the project's risks to and adverse impacts on the affected communities”; and
- “Community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, applicable, understandable and accessible information”.

Oyu Tolgoi is committed to comply with the requirements of the IFC Performance Standard 1.

The IFC guidance document that is most applicable to engagement is "Stakeholder Engagement: A Good Practice Handbook for Companies doing Business in Emerging Markets" (2007), which:

- Describes good practice procedures and processes for developing and implementing an effective stakeholder engagement programme;
- Outlines requirements for engagement at each phase of the Project life cycle, including the incorporation of consultee feedback into ongoing project design;
- Provides guidance on how to provide meaningful information that is tailored to the needs to the stakeholders, and easy to access;
- Recommends providing information in advance of consultation and decision-making activities;
- Promotes two-way dialogue and stipulates why the engagement process must be free of intimidation and coercion; and
- Provides recommendations and suggestions for engaging different stakeholder groups and for ensuring that vulnerable and marginalized people can be heard.

There are also Good Practice Notes (GPN) and other applicable documents on the social and environmental assessment process and a Policy on Disclosure of Information, which this Management Plan takes into account. Inherent in IFC Performance Standards and related guidance literature is the critical importance of a sustained and carefully planned consultation programme with stakeholders, especially with those communities who are likely to be affected by the project.”

EBRD Performance Requirements

Information disclosure and stakeholder engagement are central to the European Bank for Reconstruction and Development (EBRD) Environmental and Social Policy (2008):

- “The EBRD considers stakeholder engagement as an essential part of good business practices and corporate citizenship, and a way of improving the quality of projects. In particular, effective

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Community engagement is central to the successful management of risks and impacts on communities affected by projects, as well as central to achieving enhanced community benefits.

In particular, Performance Requirement 10: Information Disclosure and Stakeholder Engagement sets out the EBRD’s requirements for clients to identify stakeholders potentially affected by their projects, disclose sufficient information about issues and impacts arising from the projects and consult with stakeholders in a meaningful and culturally-appropriate manner. PR10 states:

- The documentation submitted to the EBRD’s Board of Directors for approval of an operation will include a description of the client’s stakeholder engagement programme, comments and opinions about the client’s practices or the potential impact of the project expressed by stakeholders, and the way these issues are being or will be addressed by clients in accordance with PR 10; and

- The Board of Directors will take the comments and concerns of stakeholders into account in its decision-making process as part of assessing the overall benefits and risks of the Bank operation.

Oyu Tolgoi has adopted good international industry practice and recognised international standards as embodied in IFC and EBRD applicable requirements outlined above (namely, Performance Standard 1 and Performance Requirement 10).

14.4.5 Aarhus Convention

The “Aarhus Convention” is a Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, adopted by the United Nations Economic Commission for Europe (UNECE), which has been in force for 10 years. On 5 July 2011, the Meeting of the Parties to the Convention adopted a decision encouraging the accession by States outside the UNECE region and a simplified procedure for doing so — thus encouraging the propagation of the important and unique protections offered by this international environmental rights treaty on a fully global scale.

The Mongolian Government sent a letter to the UNECE during the Meeting of the Parties in July 2011, stating its interest in acceding to the Convention. Mongolia intends to be the first non-UNEC country to accede. Mongolian law already aligns with Aarhus requirements, nevertheless this letter of intent is an important commitment by Mongolia, that demonstrates its willingness to ensure public participation in decision making on protection of the environment and of human rights. For further information see: www.unece.org/env/pp/introduction.html.

14.4.6 Oyu Tolgoi Standards

Ivanhoe Mines has a publicly-issued “Statement of Values and Responsibilities” (dated March 2010)\(^2\) in which the company committed to open and transparent communication and co-operation through trust-based relationships between the company and all of its stakeholders. The Ivanhoe policy commits the company to the following:

‘… to supporting and strengthening existing communities where we live and work. We encourage supportive, cooperative partnerships to enhance social and economic resources. We respect the diversity of multicultural states and local communities. We involve the public and community leaders in the planning, implementation and operation of our projects’. Since its inception, Oyu Tolgoi has operated under the Ivanhoe policies as approved by its own Board.

Stakeholder engagement at the Project level is managed by Oyu Tolgoi’s Regional Development & Communications, and External Affairs Departments.\(^3\) Oyu Tolgoi has had dedicated teams engaging with a range of stakeholders since 2004 with a goal to:

- earn and maintain Oyu Tolgoi’s social licence to operate;
- build and maintain enduring relationships with communities, government and civil society based on trust, openness and the joint pursuit of mutual interests;

\(^2\) http://www.ivanhoemines.com/s/Values.asp

\(^3\) Formerly referred to as CRSD (Community Relations & Sustainable Development) Department.
- engage individuals and groups to mobilize community resources and pursue local development opportunities; and
- ensure alignment across the company to establish objectives and achieve performance-based, measurable results.

These goals remain central to the stakeholder engagement programme as the Project progresses through construction and into operations. Further details on roles and responsibilities are provided in Section 14.12.

14.4.7 Rio Tinto’s Policies and Standards

Rio Tinto is a strategic shareholder in Ivanhoe Mines and, since December 2010, has been the manager of the Oyu Tolgoi Project. Rio Tinto and Oyu Tolgoi are undertaking an integration process during 2011 to ensure that Project operations and procedures are fully aligned to Rio Tinto standards and guidelines. This process is underway and is expected to finish in 2012.

The Rio Tinto “Communities Standard” outlines the way in which Rio Tinto exploration and mining projects must engage with communities, gather information, and formulate plans and programmes to manage social impacts. Communities Standard #1.3: Mutually Accepted and Understood Consultation Procedures deals specifically with the principles of consultation and engagement. The Rio Tinto Communities Standard is closely aligned to IFC Performance Standards and EHS Guidelines and EBRD’s Environmental and Social Policy.

14.5 OYU TOLGOI PROJECT CONTEXT

14.5.1 Project Area of Influence

The Project ‘Area of Influence’ includes the immediate or Direct Area of Influence (i.e. footprint of physical infrastructure, facilities and associated works, such as the mine site, temporary airport, permanent airport, Gunii Hooloi (GH) water supply borefield, transport and power route to the border and their surrounds), as well as the Indirect Area of Influence resulting from influx, the supply of goods and services to the Project, implementation of social and community support projects, infrastructure improvements and potential impacts on communal utilities and associated services (e.g. waste infrastructure and water supply).

Based on the Oyu Tolgoi location and social setting, the Project Area of Influence is defined as follows:

**Direct Area of Influence:**
- Khanbogd soum comprising:
  - Khanbogd soum centre;
  - Mine Licence Area;
  - Gunii Hooloi aquifer area and water supply pipeline;
  - Temporary airport;
  - Permanent airport; and
  - Oyu Tolgoi to Gashuun Sukhait road and infrastructure/power corridor.

**Indirect Area of Influence:**
- Manlai;
- Bayan-Ovoo;
- Dalanzadgad⁵; and
- Tsogtsetti soums.

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⁵ Dalanzadgad is a soum (centre) and also the capital of the Omnogovi aimag.
It is likely that the Project’s Indirect Area of Influence could extend beyond these local and regional boundaries, particularly in terms of anticipated in-migration to Omnogovi aimag together with indirect employment and business opportunities. For this reason, other soums such as Tsogttsetsii have been included in some consultation activities as appropriate.

*Figure 14.1* illustrates the key features of the Project Area of Influence including:

- Oyu Tolgoi site;
- *Soum* boundary;
- Khanbogd *Soum* Centre;
- Oyu Tolgoi to Gashuun Sukhait Road and power transmission line;
- Gunii Hooloi water abstraction borefield; and
- Border with China (Inner Mongolia Autonomous Region).
Figure 14.1: Project Area of Influence
14.5.2 Project Social Setting

Overview

The Oyu Tolgoi Project sits within Omnogovi ‘aimag’ or province, which is an administrative region of Mongolia.  Omnogovi is Mongolia’s least-densely populated aimag with a population of about 50,000 people and an area of 165,380 km² (giving a population density of only 0.3/km²). The Oyu Tolgoi property is approximately 220 km south east of Dalanzadgad, the aimag capital.

All Oyu Tolgoi Project components, including the transport/infrastructure corridor from the site to the border with China, are located within the Khanbogd soum. Khanbogd soum centre (the soum capital) is the closest community to the Project, located 42 km to the north east of the mine site, and connected to the mine site via an unsealed road. In 2010, Khanbogd soum had a population of 3,522 of which rural herders comprised 2,067 and the soum centre 1,455.

Khanbogd soum is characterized by a sparse and widely-spread population. Total land within Khanbogd soum is estimated at 1,496,000 ha. There are four baghs in the Khanbogd soum: Javkhlant, Bayan, Gaviluud and Nomgon baghs. The areas of each bagh are approximately as follows:

- Gaviluud – 198,730 ha;
- Bayan – 284,001 ha;
- Javkhlant – 530,383 ha; and
- Nomgon – 482,729 ha.

The Oyu Tolgoi Mine Licence Area, most of the infrastructure corridor (for the Oyu Tolgoi to Gashuun Sukhait road and transmission line) and a portion of the airport sites are located in Javkhlant bagh. The airport sites (temporary domestic and planned permanent airports) also extend into Gaviluud bagh territory, while the infrastructure corridor extends into Nomgon bagh near the border with China. Water supply for the Project will be taken from the Gunii Hooloi basin which is located in Bayan bagh.

More than half of the residents in the soum are rural pastoralists or seasonal pastoralists, that move herds of camels, horses, goats and other livestock between summer and winter grazing areas. Figure 14.2 shows a typical winter shelter and corral, while Figure 14.3 illustrates the soum centre.

Figure 14.2: Herder Winter Shelter

Source: Citrus Partners, photo taken 2010

6 Soums are a subdivision of aimags, and baghs are the lowest administrative unit, and a subdivision of soum.
7 Statistics and Treasury Officer, Khanbogd Soum Governor’s Office, Obtained by Oyu Tolgoi in 2011.
8 Khanbogd Soum Governor’s Office, Obtained by Oyu Tolgoi in 2011.
Socio-Economic Characteristics of the Project Area

The key socio-economic characteristics of the Project Area of Influence are outlined below:

- **Climate and Environmental Setting:** Khanbogd soum and the south Gobi region experiences quite extreme weather conditions. Temperatures range from -30 degrees C up to +40 degrees C or more, with potential of strong winds, frequently laden with dust (dust storms), and *dzuds*. The Project Area is located in an arid climatic area (one of the driest Gobi regions). The average precipitation is only 80 mm/year, 90% of which falls as rain in summer and 10% which falls as snow in winter.

- **Infrastructure and Development:** Regional and local infrastructure in the South Gobi remains poorly developed; there are few sealed roads in the soums, except Dalanzadgad, the aimag centre. None of the rural soum centres have reliable electricity or centralised heating supplies, networked potable water supply (water is mainly from hand dug wells, although some deep wells exist) or sanitation, or terrestrial telecommunications networks.

- **Demographics:** The average size of households in the Project Area of Influence is 3-4 persons. The population of Omnogovi aimag has a life expectancy of 67 years, which is just higher than the national average of 66.5 years. The majority of people in Khanbogd and other rural areas live in *gers*; however, there is some wood and brick housing in the soum centre.

- **Education and Literacy:** Education levels within the aimag are low. In general, women are more highly educated than men with a higher proportion attaining secondary education. Literacy levels are generally high (above 90%). Most herder families send their children to stay with relatives in the soum centres during term-time.

- **Economic Activities and Income:** Many residents in Khanbogd and in the aimag remain dependent on livestock production for their livelihoods (over 60%). Goats, camels and sheep are the main animals raised in Khanbogd; cashmere and wool are the most important income sources for herder families. Average incomes in the region are low, but can vary greatly between households. Khanbogd has an average household monthly income of 574,838 Tugrugs ($348 USD), above the aimag average of 523,406 Tugrugs ($317 USD).

Oyu Tolgoi is currently the only mining project within Khanbogd soum. There are no official figures on soum and aimag employment in the mining sector, however the number of people working in mining is increasing, due to the Ukhaa Khudag (Tsogttsetsii) and Oyu Tolgoi (Khanbogd) mining projects. By

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9 *Dzud* is a local term for a climatic sequence typically including a drier than usual summer resulting in poor grazing resources, and a long and snowy winter preventing livestock to access pasture early enough. *Dzuds* cause high livestock mortality.
2011, a reported 630 people from Khanbogd and more than 400 people from other parts of the south Gobi were employed by the Oyu Tolgoi Project alone.

14.6 IDENTIFICATION OF PROJECT STAKEHOLDERS

14.6.1 Methodology

Since 2003, Oyu Tolgoi has actively sought to build strategic institutional and individual working relationships with stakeholders who have interests in and/or who are directly or indirectly impacted by the Project.

The foundation for identifying Project-wide stakeholders was laid at a comprehensive workshop conducted in 2008 by community relations staff with other Oyu Tolgoi departments, including Environment, Communications, Human Resources and Procurement. A comprehensive list of stakeholders was developed from this process and stakeholders were categorized in terms of their relationship with the Project. Numerous activities have been conducted since that time to update stakeholder lists and build on this knowledge. The stakeholder mapping process (as this is termed by Oyu Tolgoi) has been used to define the appropriate level and types of engagement required for the different affected parties.

A stakeholder database has also been developed and is maintained by Oyu Tolgoi. This database has been integrated into the stakeholder engagement module of “OASIS”. Interactions with stakeholders are recorded in a Community Diary which is fed into OASIS and used to continuously update the stakeholder database. An example proforma for the Community Diary is included as Annex A to the Stakeholder Engagement Plan (SEP). If Oyu Tolgoi is looking to consult people on a specific subject for example, key word searches can be done, and lists of stakeholders generated, to support the planning of consultation activities.

14.6.2 Stakeholder Categorisation

EBRD’s Performance Requirement (PR10) on Information Disclosure and Stakeholder Engagement (2008) defines stakeholders as those who are (i) are affected or likely to be affected (directly or indirectly) by the project (“affected parties”), or (ii) may have an interest in the project (“other interested parties”). Following this definition, the two principal groups of stakeholders in the Project are as follows:

Affected Parties: people/entities directly affected by the Project and/or have been identified as most vulnerable to change and who need to be engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures, namely:

- Herders who have been physically displaced from their properties through the establishment of the Mine Licence Area (MLA) fencing and the 10 km residential Exclusion Zone;
- Herders who have been economically-displaced through the loss of access to wells, disturbance from air or noise emissions and/or reduced access to summer grazing land or winter camps due to actual or proposed Project developments;
- Residents, businesses, government officials and administrators of Khanbogd soum and Khanbogd Soum Centre who may be directly affected by employment opportunities, influx and the related pressure on resources and services;
- Employees and contractors of Oyu Tolgoi; and
- Community-based groups who directly represented affected herders and other affected parties.

Other Interested Parties: people/entities that are interested in the Project and/or could affect the Project in some way:

- Residents of the following adjacent soums within Omnogovi aimag: Manlai, Bayan-Ovoo, and Dalanzadgad;

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10 OASIS is a localised version of ‘Borealis’, a widely used stakeholder management tool.
11 Stakeholders in the Oyu Tolgoi Project are effectively the Project Affected People (PAPs).
- Civil society, non-government organisations (NGOs) and community-based organisations;
- Business owners and service providers to Oyu Tolgoi within the remainder of Omnogovi aimag and other parts of Mongolia;
- Government of Mongolia, including government officials and permitting agencies at the national and aimag level; and
- Media interest groups.

A description of these stakeholder groups is given below. Further descriptions of these stakeholders are provided in the Oyu Tolgoi Socio-Economic Impact Assessment (SIA) published in September 2009.\(^\text{12}\) This work was commissioned by Oyu Tolgoi to understand the different community groups and organisations operating within the Direct and Indirect Area of Influence of the Project.

### 14.6.3 Affected Parties

#### Herders

Herders residing in the areas of the mine site, Gunii Hooloi water supply system, the temporary airport, the permanent airport, and along the transport and infrastructure corridor are key affected parties and one of the most significant groups in terms of vulnerability to change. In recent years, herders within the soum have been affected by the dzud combined with pastureland degradation among other factors. Within this category, the herders comprise two sub-groups:

- The herder population that has been or will be directly affected by land acquisition or land use planning decisions i.e. *physically relocated*; and
- Herders that have been or could be *economically displaced* through the loss of land and/or access to livelihood assets and natural resources (grazing land, wells, pastures).

\textit{Table 14.2} below provides a summary of directly affected herders. Herders are described in terms of ‘households (HH)’ i.e. herder families living in one location. The table includes the 10 HH which were fully resettled in 2005, following agreements in 2004 (see \textit{Chapter D15: Resettlement Action Plan}). As the table illustrates, there are a total of 94 directly affected herder households.

\textbf{Table 14.2: Summary of Affected Herder Households}

<table>
<thead>
<tr>
<th>Component</th>
<th>Physically Displaced</th>
<th>Economically Displaced or Disturbed by Project Activities*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine Site Area (Mine Licence Area &amp; Exclusion zone)</td>
<td>10 HHs (16 herder families, 61 people) affected by displacement of winter shelters in Mine Licence Area were relocated in 2005.(^\text{13})</td>
<td>None</td>
</tr>
<tr>
<td>Airport Sites</td>
<td>None</td>
<td>7 HHs with winter shelters within 5 km of airport who will experience partial loss/reduction of access to summer grazing land. 15 HHs with winter shelters within 5-11 km of airport who will experience minor reduction of access to summer pastures.</td>
</tr>
<tr>
<td>Oyu Tolgoi to Gashuun Sukhait Road Corridor</td>
<td>None</td>
<td>4 HHs with winter shelters within 500 m either side of Oyu Tolgoi to Gashuun Sukhait road who will be divided from pastures and impacted by construction and operation of the road. 14 HHs with winter shelters between 500 m and 6.5 km either side of the Oyu Tolgoi to Gashuun Sukhait road that will have their migration routes/herding routes impacted.</td>
</tr>
</tbody>
</table>

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\(^\text{13}\) Full details on those herders already physically resettled are provided in \textit{Chapter C10: Land Use and Displacement Impact Assessment} and \textit{D15: Resettlement Action Plan}. 

---
### Component

<table>
<thead>
<tr>
<th>Component</th>
<th>Physically Displaced</th>
<th>Economically Displaced or Disturbed by Project Activities*</th>
</tr>
</thead>
</table>
| Gunii Hooloi Pipeline & Transmission Line from China | None | 11 HHs with winter shelters within 1 km either side of the Water Pipeline Phase 1 or Transmission Line, and 3 km from the Water Pipeline Phase 2, that will have their pastureland temporarily divided by the pipeline trench and have their migration routes/herding practices disrupted by construction activities.  
11 HHs with winter shelters within 1 km to 2 km either side of the Water Pipeline Phase 1 or Transmission Line, and 3-7 km from the Water Pipeline Phase 2, that will have their migration routes/herding practices by construction activities. |
| Summer Grazing in Khanbogd Soum | None | All seasonal herders (an estimated 399 households) in Khanbogd soum could be affected by an overall reduction in availability of pastureland. |
| Other (All Impact Zones) | None | 4 HHs (non-resident winter shelter owners), who relocated out of the impact zone due to cumulative impacts of Tsagaan Khad truck stop.*  
18 HHs (non-resident winter shelter owners), who reside in the soum centre but have winter shelters in one of the above impact zones, who may experience restrictions in access or nuisance dust, noise impacts if they access their shelters during the construction phase. |

Total: 10 HHs 84 HHs

Source: Affected Herder Household Numbers prepared by Communities & Social Performance team, May 2011. Powerline and water pipeline HHs are grouped as these are impacted in a similar way.

HH = Household; Note: Category numbers refer to the identifiers given in the Entitlement Matrix (included in Chapter D15: Resettlement Action Plan).

* Not all of the households in this category will be economically-displaced, but have been recognised as disturbed by the Project activities and therefore eligible for some compensation from the Oyu Tolgoi, even if it is temporary disturbance.

** The households affected by loss or restriction of access to water are those affected in other categories so are not double counted in the total figure.

### Khanbogd Soum Residents, Businesses and Local Government

Individual and group stakeholders in the soum include residents, regulators and authorities (governor and deputy governor, soum government, bagh leaders, citizens' representative khural etc.), local businesses and community service providers (religious centres, health clinics, schools, museum, etc.). Table 14.3 below describes the key local government agencies with representation within Khanbogd soum together with their specific interest in the Oyu Tolgoi Project.

#### Table 14.3: Key Government Authorities and Agencies: Aimag and Soum Level

<table>
<thead>
<tr>
<th>Authority/Governing Body</th>
<th>Interest in Project/Relationship with Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor and Deputy Governor</td>
<td>Regional economic development, taxes and royalties, infrastructure development in aimag, influx in Dalanzadgad</td>
</tr>
<tr>
<td>Dalanzadgad Government</td>
<td>Regional economic development, taxes and royalties, infrastructure development in aimag, influx in Dalanzadgad</td>
</tr>
<tr>
<td>South Gobi Homeland Committee</td>
<td>Regional economic development, taxes and royalties,</td>
</tr>
</tbody>
</table>

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14 Administrative units in Mongolia are organised on the basis of self-governance and State management, each unit having its own Governor and Khural (Council). The governor is the local representative of the central or higher levels of government, whereas the aimag and soum Khurals are elected directly by local residents.
### Authority/Governing Body

<table>
<thead>
<tr>
<th>Authority/Governing Body</th>
<th>Interest in Project/Relationship with Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Gobi Land Officers</td>
<td>Infrastructure development in aimag</td>
</tr>
<tr>
<td>Environment Department</td>
<td>Pastureland management, biodiversity management</td>
</tr>
<tr>
<td>Border Protection Agency</td>
<td>Environmental management, prevention pollution, permits</td>
</tr>
<tr>
<td>Police Officers</td>
<td>Border protection, customs issues, transport</td>
</tr>
<tr>
<td>Health Department</td>
<td>Community health awareness, disease prevention</td>
</tr>
<tr>
<td>Agriculture Department</td>
<td>Economic displacement, pastureland Impacts</td>
</tr>
<tr>
<td>Labour and Social Welfare Office</td>
<td>Local employment and conditions, vulnerable people</td>
</tr>
<tr>
<td>Road Maintenance Authority</td>
<td>Road development, road condition and usage</td>
</tr>
<tr>
<td>Social Policy and Coordination Department</td>
<td>Local and regional employment, vulnerable people, economic development</td>
</tr>
<tr>
<td>State Specialised Inspection Agency (Environment Inspectors)</td>
<td>Environmental management, pollution prevention, permitting</td>
</tr>
<tr>
<td>Tax Department</td>
<td>Provincial taxes and royalties</td>
</tr>
<tr>
<td>Transportation Authority</td>
<td>Transport routes, traffic safety</td>
</tr>
<tr>
<td>Head of Police</td>
<td>Traffic safety, crime and violence, workforce behaviour in community</td>
</tr>
<tr>
<td>Military Office</td>
<td>Public safety, national security</td>
</tr>
<tr>
<td>Soum Governments</td>
<td>Infrastructure development in soum, influx/out-migration, employment, economic development</td>
</tr>
<tr>
<td>Citizen's Representative Khural</td>
<td>Infrastructure development in soum, influx/out-migration, employment, economic development</td>
</tr>
<tr>
<td>Bagh Leaders</td>
<td>Economic displacement, employment, community development</td>
</tr>
<tr>
<td>Land Managers/Land Office</td>
<td>Land disturbance permits and procedures, pastureland and biodiversity management</td>
</tr>
<tr>
<td>Tax Inspectors/Tax Office</td>
<td>Local taxes and royalties</td>
</tr>
</tbody>
</table>

### Oyu Tolgoi Employees and Contractors

During the first two years of the construction phase, the Oyu Tolgoi workforce peaked at approximately 14,800 personnel. Workforce requirements for the operations phase are projected to be approximately 3,500 employees. As of December 2011, the Oyu Tolgoi Project employed almost 10,000 Mongolian nationals (including both direct employees of Oyu Tolgoi and contractors). The proportion of the workforce from Khanbogd soum was 18% as at December 2011. Many of these employees work in construction, camp management and catering, exploration and drilling, earthmoving, rigging and maintenance areas. Oyu Tolgoi is committed, through its Investment Agreement (IA) and social policies, to employ a majority of Mongolian nationals in its operations. All Oyu Tolgoi employees and contractors are considered to be affected parties in the Project.

Organised workforces are common in Mongolia and although no official union exists at present, it is likely that one or more may be formed for its workforce (see Chapter D17: Labour Management Plan for further information on unions and collective bargaining).

### 14.6.4 Other Interested Parties

#### Residents of other Soums: Bayan Ovoo, Manlai and Dalanzadgad

There are three soums in Omnogovi aimag that are considered to be in the Indirect Area of Influence of the Oyu Tolgoi Project (Bayan Ovoo, Manlai, and Dalanzadgad). Whilst there is no Project-related infrastructure in these soums, they are considered to be indirectly affected by impacts such as influx and the increased demand for facilities, goods and services.
Residents in neighbouring soums are not expected to be adversely affected by Project activities and are instead more likely to benefit from increased employment and business development opportunities. These residents are also important stakeholders for the regional development activities in which Oyu Tolgoi is involved. Where applicable, and where this has been taken into account in the social impact assessment (SIA), Tsogttsetsii soum is also included.

**Non-government Organisations (NGOs)**

These groups include environmental, social or development NGOs that are current or potential partners of the Project or that have an advocacy interest in the Project. There are numerous international and national NGOs interested in or already involved with the Project, some with local representation.

Oyu Tolgoi launched an NGO outreach programme in November 2003. This programme aims to build strategic relationships and projects with the increasing number of active and influential donors and non-governmental organisations in Mongolia. To date, the programme has consulted and established relations with more than 40 donors, NGOs and government-related development organisations. A summary of key national and international NGOs, donors and other agencies is provided in Annex B. Key NGOs in the aimag (Dalanzadgad soum centre) include: Treasure Gobi, Gobi Wave, Share Gratitude, Dream Step, Oyu Tolgoi Friendship, World Growth, and the Saran Eej Association.

Regular analysis of NGO activities and consultation with national and international NGOs and donor groups is managed by the Oyu Tolgoi Communications Department.

**Community-Based Organisations (CBOs)**

There are numerous community-based organisations (CBOs) from the closest soums to the Oyu Tolgoi site that are involved with, or interested in the Oyu Tolgoi Project. There are also various formal structures and committees that operate within the soums and at bagh-level. Key groups consulted by Oyu Tolgoi include agricultural unions, women’s groups, herder groups, and elders associations. Members of these groups are generally residents of the soums themselves. The stakeholder mapping exercise has identified key CBOs within the soum centre and also in the region. Key CBOs in Khanbogd include: the Khanbogd Union, Javkhlant Nutag Union, Khanbogd Altan Nutag15, Elders Union, Knucklebone Union, Wrestling Stage and the Women’s Union.

Numerous departments within Oyu Tolgoi partner with local/regional CBOs to implement various community development and other projects in the target soums, including but not limited to local supplier development, small business development, infrastructure upgrades, training for local businesses and residents etc.

**Businesses and Industry Associations**

Mining and other companies with operations in the region include: Tavan Tolgoi, MAK, Energy Resources LLC, Dalanzadgad international airport and Gunii Us Company. The competition for labour between different mining entities is likely to escalate as the projects move from exploration through to development; hence cooperation between the different entities will be essential to balancing the labour pool.

Similarly, regional centres such as Dalanzadgad are likely to emerge as a focus for support mechanisms such as banking, access to finance and micro-credit, vocational training and supplier centres. Suppliers in the aimag capital are likely to include branches of the main Mongolian banks, mobile phone companies, general traders, hotels, restaurants and other service providers. Dalanzadgad soum is also the regional centre for industry associations such as the Chamber of Commerce and Tourism Association. Oyu Tolgoi engages directly with potential suppliers through its procurement and supply programme. Interaction with other mining/resource companies in the region is generally achieved through the South Gobi Regional Development Council; this is a South Gobi regional organisation appointed by the Government of Mongolia to coordinate development activities in the Gobi.

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15 Since September 2010, the Mongolian Society for Range Management on behalf of Oyu Tolgoi has been working with herders in Khanbogd to establish a Pasture Users NGO (Khanbogd Altan Nutag) and 14 Pasture User Groups (CBOs) across all four baghs.
Regional/National Government Authorities

The Government of Mongolia is an investment partner in the Project, as well as the key permitting authority. National government stakeholders include those Ministries responsible for permitting, approvals and monitoring. Oyu Tolgoi engages regularly with national-level Government, mainly technical departments of the key Ministries (Environment, Social Welfare & Labour, Mineral Resources & Energy, Finance) concerning the Project and Project-affected people. Regional authorities involved with the Project are line agencies of the key national ministries. There are also several formal structures representing Government departments related to the Oyu Tolgoi Project.

Within Oyu Tolgoi, the Government Relations team is responsible for maintaining relationships with key government agencies and ensuring they are regularly updated on the progress. Table 14.4 below provides a list of the key ministries/departments engaged in the Oyu Tolgoi Project.

Table 14.4: Key Government Agencies & Ministries: National/Regional Levels

<table>
<thead>
<tr>
<th>Authority/Governing Body</th>
<th>Interest in Project/Relationship with Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance</td>
<td>Mining taxes and royalties; income and other taxes; customs duties; Investment Agreement</td>
</tr>
<tr>
<td>Ministry of Justice and Internal Affairs</td>
<td>Security provisions for Oyu Tolgoi facilities</td>
</tr>
<tr>
<td>Office of Immigration, Naturalisation and Foreign citizens</td>
<td>Foreign workers; visas</td>
</tr>
<tr>
<td>General Authority for Border Protection</td>
<td>Border protection; customs issues; Gashuun Sukhait border crossing; security at Oyu Tolgoi facilities</td>
</tr>
<tr>
<td>Ministry of Environment, Nature and Tourism (MNET)</td>
<td>Environmental Impact Assessment; environmental permitting; biodiversity; Environmental Protection Plans</td>
</tr>
<tr>
<td>National Agency of Meteorology, Hydrology and Environment Monitoring</td>
<td>Environmental monitoring of Oyu Tolgoi Project</td>
</tr>
<tr>
<td>Water Authority</td>
<td>Water abstraction licenses; Gunii Hooloi Borefield; discharge licenses/fees</td>
</tr>
<tr>
<td>Ministry of Roads, Transportation, Construction and Urban Development</td>
<td>Upgrade of Oyu Tolgoi to Gashuun Sukhait Road; other road maintenance and upgrade; transport services for Project</td>
</tr>
<tr>
<td>Administration of Land Affairs, Geodesy and Cartography</td>
<td>Land use agreements; land use planning in Khanbogd soum centre; land taxes; other land use permits; easements and right of ways</td>
</tr>
<tr>
<td>National Centre-Construction, Urban Development and Public Utilities</td>
<td>Urban planning for Khanbogd soum centre; provision of 35 Kv power line and bulk water supply for Khanbogd soum centre</td>
</tr>
<tr>
<td>Civil Aviation Authority</td>
<td>Construction and operation of the temporary and permanent airports</td>
</tr>
<tr>
<td>Railway Authority</td>
<td>Potential future railway link from Oyu Tolgoi to China</td>
</tr>
<tr>
<td>Department of Road Transportation</td>
<td>Transport contractors; traffic routes; traffic safety; concentrate transport</td>
</tr>
<tr>
<td>Ministry of Defence</td>
<td>Border protection in Khanbogd soum; Gashuun Sukhait border crossing; customs issues</td>
</tr>
<tr>
<td>Ministry of Education, Culture and Science</td>
<td>5-Year Training Strategy and Plan; New Employee Scheme to train 3,300 Mongolian workers per year; provision of 150-230 tertiary scholarships over 5 years; establishment of 2 new TVET colleges and contribution to refurbishment of 5 existing TVET colleges; cultural heritage</td>
</tr>
<tr>
<td>Ministry of Social Welfare and Labour</td>
<td>Monitoring of number of working visas and nationalities of workers; Mongolian national content in workforce; foreign/national workforce relations; labour and working conditions; social insurance for employees</td>
</tr>
</tbody>
</table>

Ministry of Education, Culture and Science
- General Authority for Social Insurance
- Labour and Welfare Service Agency
Media Organisations

Oyu Tolgoi is engaged with various media in Mongolia at national, regional and local levels. The Communications team has a communications and public relations strategy and manages media interactions for the Project. At the local level, media organisations include Mongol Gobi that is a regional newspaper in the south Gobi including Khanbogd soum. Nationally the Project has and will continue to engage with a wide range of media outlets as required, including print media, radio and television as well as online media fora.

Vulnerable People and the Consultation Process

Vulnerable people are people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status, may be more adversely affected by the Project than others and who may be limited in their ability to claim or take advantage of the development benefits or opportunities.\(^{16}\)

The Mongolian Law on Social Welfare, 2005 defines vulnerable people as ‘People who are in need of support and assistance of social welfare cover, old people in need of regular care, children in harsh conditions, disabled citizens, citizens (ages 18-24), orphan children under the age of 18, mothers who have many children and single mothers/fathers.’ The Law on Social Welfare has been revised on 19 January 2012 and came into force on 1 July 2012.

The Labour & Social Welfare Office of Khanbogd soum has a specific formula for assessing vulnerability within the soum population. The identification of vulnerable people in Khanbogd soum is completed through a workshop with local government and community leaders usually held each year, and using the above criteria. The local definition is based on the essence of the law but reflecting the specific circumstances of the soum environment.

From mid-2010, Oyu Tolgoi commenced identifying vulnerable people within Khanbogd soum, with the help of the Labour and Social Welfare Office. The main criteria for vulnerability used by the Mongolian government and Oyu Tolgoi are:

a) Single headed households;
b) Family member requiring full time carer;
c) With many children;
d) Unemployed; and
e) Low income per person (total income divided by family members).

A total of 55 households have been identified as vulnerable within the total population of Khanbogd soum, by the Labour & Social Welfare Office. Of these 55 households, there are a total of 14 households comprising 74 people identified as vulnerable within the directly affected herder group.

Table 14.5 shows the vulnerable people identified within the Oyu Tolgoi directly affected group.

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\(^{16}\) International Finance Corporation Performance Standards on Social and Environmental Sustainability. 2007. Performance Standards Classified as ‘vulnerable’ if any one of these criteria apply.
Table 14.5: Vulnerable Households in Directly Affected Herder Group*, 2011

<table>
<thead>
<tr>
<th>Vulnerable category /Impact category/</th>
<th>a. Single headed</th>
<th>b. Disabled</th>
<th>c. Many children</th>
<th>d. Unemployed</th>
<th>e. Low income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. Oyu Tolgoi Mine Site Area</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>B1. Airport</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B2. Airport</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>C1. Oyu Tolgoi to Gashuun Sukhalt Road</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C2. Oyu Tolgoi to Gashuun Sukhalt Road</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D1. GH Pipeline/T-Line</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D2. GH Pipeline/T-Line</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E1. Summer Grazing in Khanbogd</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>F1. Unoccupied shelters</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>F2. Unoccupied shelters</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL HHs</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>11</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

Note: some HHs qualify in more than one category of vulnerability so row totals exceed HH total numbers.

* The Oyu Tolgoi Project Directly Affected Herder Group refers to the 84 herder HHs identified as physically and economically displaced by the Project.

The Oyu Tolgoi Project consultation process has sought to include all society groups from the *soum*; where people have been unable to attend stakeholder meetings, and for directly affected households, Oyu Tolgoi has undertaken household visits. Oyu Tolgoi has used the information from the Labour & Social Welfare Office to define a) which directly affected parties are vulnerable and b) what additional steps are needed to ensure that these vulnerable people have access to consultation activities.

Starting with vulnerable households from the directly affected herder group, Oyu Tolgoi is conducting targeted consultation to firstly ensure that these people have access to relevant Project information and staff, and also to develop a framework for providing specific support to these vulnerable families. This consultation process and assistance will also be extended to other vulnerable households within the *soum*. Further information on the assistance planned for vulnerable people within the directly affected herder group is provided in *Chapter D15: Resettlement Action Plan*.

14.7 ANALYSIS OF STAKEHOLDER ENGAGEMENT TO DATE

14.7.1 Past Consultation Documents

This SEP has taken into account the following documents related to previous consultations for the Oyu Tolgoi Project:

- Oyu Tolgoi Project. Preliminary Community Consultation Report, Sustainability and Eco Trade Co. Ltd., May 2003;
- Socio-Economic Impact Management Plan for the Planning Phase of the Oyu Tolgoi Project, Sustainability, July 2003;
- Socio-Economic Impact Management Plan for the Planning Phase of the Oyu Tolgoi Project, Sustainability, 2004; and

This Management Plan does not include details of all historical consultation activities; these are provided in *Chapter A6: Community Consultation*. 
14.7.2 Summary of Issues Raised by Stakeholders

A summary of the key issues raised by stakeholders and how these are being addressed by Oyu Tolgoi is provided in Table 14.6. Further details on issues raised during the historical consultation process and how these are being addressed by Oyu Tolgoi are provided in Chapter A6: Community Consultation

Table 14.6: Summary of Key Issues Raised and Oyu Tolgoi Commitments

<table>
<thead>
<tr>
<th>Issue</th>
<th>Aspect/Concern raised by Stakeholders</th>
<th>Oyu Tolgoi LLC Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Opportunities</td>
<td>Expectations of employment are very high. Job opportunities are less for herders as they generally have less skills and training.</td>
<td>Employment of Mongolian nationals – targets are specified in the Oyu Tolgoi/Government of Mongolia Investment Agreement (IA). Establishment of Local Skills Database capturing local and regional individuals interested in employment with the Project. Used to seek job candidates. Employment of 629 people from Khanbogd soum, 440 people from other parts of south Gobi, and 2,996 people from elsewhere in Mongolia (as at December 2010). See Chapter D17: Labour Management Plan.</td>
</tr>
<tr>
<td>Training Opportunities</td>
<td>People are keen to consult with Oyu Tolgoi if the Project offers training and upgrading opportunities to enhance their trade or professional skills.</td>
<td>Development of the Training Strategy &amp; 5-Year Plan (2010 to 2014), including commitment of US$ 50M investment over this period for training infrastructure, delivery and design. Installation of training facilities in Dalanzadgad (under construction in early 2012) and in Khanbogd (planned for Q3 2012). Memorandum of Understanding for 3,300 vocational student places signed with Government. See Chapter D17: Labour Management Plan.</td>
</tr>
<tr>
<td>Education Opportunities</td>
<td>Almost all affected people express a desire to be provided with support for education for their children as compensation for loss of pastureland as a result of the Project.</td>
<td>Tertiary scholarships have been included as in-kind compensation in affected herders’ compensation package. As at May 2012, 20 students had received scholarships. Regional educational support including Student Scholarship Programme (Gobi Scholarship) from 2005 to 2011 (192 students in south Gobi). Training for Secondary School IT Teachers in January 2009 (24 teachers in the south Gobi). Numerous training opportunities are ongoing through the Local Business and Economic Development (LBED) Programme. As at May 2011, a total of 87 people had received financial, business development and technical training through this programme.</td>
</tr>
<tr>
<td>Health &amp; safety</td>
<td>Truck traffic is a main concern because the road used by the Project passes through a number of communities and there will be a high volume of trucks transporting concentrate to China.</td>
<td>Extensive consultation on the road corridor and safety aspects, including on herder and animal crossings. Development of Transport Management Plan including traffic safety training. Doctor Sponsorship Programme from 2005 to 2010 (15 physicians working in 12 remote soums). Traffic advisory signs will be installed along Oyu Tolgoi to Gashuun Sukhait road.</td>
</tr>
<tr>
<td>Local economy and business development</td>
<td>Local service providers are keen to participate in providing services to the mines and expect to receive in order to adjust their</td>
<td>Local Business and Economic Development (LBED) Programme, including a Small &amp; Medium Enterprise (SME) development project that will</td>
</tr>
<tr>
<td>Issue</td>
<td>Aspect/Concern raised by Stakeholders</td>
<td>Oyo Tolgoi LLC Commitments</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>businesses to meet specific needs.</td>
<td>be implemented with 16 herder families by end of 2012.</td>
</tr>
<tr>
<td></td>
<td>Herders want to sell milk, meat and dairy products to the Project etc.</td>
<td>In 2011, Oyu Tolgoi used 189 local suppliers in the southern Gobi region to a value of US$1.4 million. A number of these contracts are with local and regional suppliers.</td>
</tr>
<tr>
<td></td>
<td>Local businesses want to receive support in terms of finance and facilities to diversify their businesses.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local/regional companies and entrepreneurs have limited understanding about meeting the high volumes required by the Project and the quality standard, but are keen to know these requirements so they can become suppliers.</td>
<td></td>
</tr>
<tr>
<td>Land acquisition and resettlement</td>
<td>Herders are worried about having to reduce livestock due to decreasing pasture and therefore loss of income and effects on their livelihood.</td>
<td>Avoidance and minimisation of land take in accordance with PS5. As of May 2012, 74 agreements have been signed and 10 remain to be signed.</td>
</tr>
<tr>
<td></td>
<td>Roads will also divide pastures and disturb ground and livestock. This will affect their livelihoods and income.</td>
<td>Implementation of Resettlement Action Plan (RAP) and associated Herder Livelihood Improvement Programme (HLIP).</td>
</tr>
<tr>
<td></td>
<td>Competition between herders for pasture and water has already increased.</td>
<td>Implementation of Sustainable Pastureland Management Programme, including establishing a Pasture Users NGO in Khanbogd (Khanbogd Altan Nutag) and 14 Pasture User Groups across the four baghs by early 2011 (now complete).</td>
</tr>
<tr>
<td></td>
<td>There is concern that construction of other infrastructures and the expansion of mining to new area/sites may trigger a new wave of resettlement.</td>
<td>Assessment of pasture capacity and condition, and water supply in Khanbogd, including establishment of 15 vegetation monitoring points across the baghs.</td>
</tr>
<tr>
<td>Environmental Issues</td>
<td>Dust and noise impacts, particularly from the Oyu Tolgoi to Gashuun Sukhait Road, are of concern to herders and other residents.</td>
<td>Implementation of controls under the Environmental Management Plans, including on and off-site dust and noise monitoring.</td>
</tr>
<tr>
<td></td>
<td>Environmental degradation during road construction and use. Loss and change of vegetation due to soil degradation.</td>
<td>Employed local herders to maintain clean environment around airport site and along the Oyu Tolgoi to Gashuun Sukhait road.</td>
</tr>
<tr>
<td></td>
<td>Increased waste along border road and around airport.</td>
<td>A seed rehabilitation programme has been established and initial work has been completed in the airport area and along the road to Manlai soum centre.</td>
</tr>
<tr>
<td></td>
<td>A Participatory Environmental Monitoring Programme was launched with Khanbogd soum residents in early 2011.</td>
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</tr>
<tr>
<td>Roads and infrastructure</td>
<td>Herders have expressed desire for the coal transportation route and Oyu Tolgoi roads to be combined, otherwise impacts to their pastureland will be worse.</td>
<td>Implementation of further consultation with the Khanbogd community, including specific consultation with herders along road on animal crossings.</td>
</tr>
<tr>
<td></td>
<td>Improvement of basic infrastructure (drinking water, health centres, school) is a key expectation of all local communities.</td>
<td>Implementation of the Khanbogd Water Supply – Groundwater Exploration Project with the Asian Development Bank. Oyu Tolgoi completed a geophysical survey and other field work in 2010 and located a source of water supply for the soum centre.</td>
</tr>
<tr>
<td></td>
<td>Khanbogd residents believe that services and infrastructure will be developed as community compensation for the lands taken by the Project.</td>
<td>Implementation of the Local and Regional Planning and Infrastructure (LRPI) Programme. A Khanbogd Soum Land Use Plan has been developed with support from Oyu Tolgoi.</td>
</tr>
<tr>
<td></td>
<td>Some residents report a lack of visible investment in Khanbogd soum community.</td>
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<td></td>
<td>The employee housing strategy is not clear enough to local people.</td>
<td></td>
</tr>
<tr>
<td>Issue</td>
<td>Aspect/Concern raised by Stakeholders</td>
<td>Oyo Tolgoi LLC Commitments</td>
</tr>
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</tr>
<tr>
<td>Water quality and quality</td>
<td>Water quality and quantity, herder wells, and impacts from the Gunii Hooloi borefield are all key concerns for nearby herders. Herders report that more water must be made available to improve pastureland arrangements. Herders are concerned about reduction and pollution of water supplies (both groundwater supplies and surface water features such as the Undai).</td>
<td>Implementation of consultation in relation to water use and development of the Participatory Environmental Monitoring Programme. 94 wells in Khanbogd soum are being monitored in collaboration with herders.</td>
</tr>
<tr>
<td>Protection of cultural heritage</td>
<td>Local people are concerned about the diffusion of cultures foreign to local ethnic identities and customs. Herders expect that eventually traditional nomadic herding lifestyle will be changed although this is expressed as a positive change by most.</td>
<td>Development of the Oyu Tolgoi Housing Model and Influx Management Plan – both of which contribute to the management of a large and rapid influx of people in relation to employment opportunities. Implementation of Phase I of the Cultural Heritage Programme (CHP). Establishment of the Cultural Heritage Local Advisory Committee.</td>
</tr>
<tr>
<td>Local and National Governments</td>
<td>Energy/power supply in neighbouring soums is a key expectation of local and regional governments. Soum and aimag authorities expect that secondary industries will be supported/funded by the Project. Employment expectations are high locally and are of critical importance to national government. Local government personnel anticipate increased pressure on public services. Local government expect mine revenue to help with infrastructure and service improvements. Local and regional authorities have expressed concern about in-migration to the area, which will likely generate poorly-planned induced development.</td>
<td>Implementation of Local and Regional Planning and Infrastructure (LRPI) Programme. See Chapter D16: Influx Management Plan. Diesel Donation Programme. See Chapter D17: Labour Management Plan, Local Skills Database. Local Business and Economic Development Programme to support the development of SMEs and in particular herder businesses.</td>
</tr>
<tr>
<td>Civil Society/Other</td>
<td>Protection of local culture and historically significant heritage, herders’ way of life, and the diffusion of cultures foreign to local ethnic identities in the south Gobi. Preservation of the South Gobi Special Protected Area (SGSPA) and the transport corridor that is in the buffer zone. Migratory animals and the impact roads, fencing, railways and other Project infrastructure will have on these species.</td>
<td>Implementation of Cultural Heritage Programme. Additional rapid biodiversity assessment field work was completed in mid-2011. See Chapter D6: Flora and Fauna Management Plan. See Chapter D16: Influx Management Plan.</td>
</tr>
</tbody>
</table>

14.7.3 Analysis of Consultation and Disclosure Methods, Tools & Activities

As part of development of this SEP, the various methods of stakeholder consultation used by Oyu Tolgoi have been analysed to determine their suitability for reaching different stakeholder groups. The positive and negative aspects associated with each method based on previous Oyu Tolgoi experience, and the ways to improve or develop each method have been identified (see Table 14.7).

Each of the key methods of engagement and disclosure being used by Oyu Tolgoi are described in further detail in the following sections. This process has been used to work towards the optimum approach to stakeholder consultation going forwards on the Oyu Tolgoi Project. Moreover, and on the
basis of these outcomes, Oyu Tolgoi has developed a forward-looking Action Plan for consultation (i.e. for the remainder of the construction period and through to operations and eventual closure).
### Table 14.7: Assessment of Methods, Tools & Techniques for Stakeholder Engagement

<table>
<thead>
<tr>
<th>Method / Tool</th>
<th>Description and Use</th>
<th>Findings Positive</th>
<th>Findings Negative</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level I. Education &amp; Information Provision</strong></td>
<td></td>
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</tr>
<tr>
<td>Leaflets, Brochures, Fact Sheets</td>
<td>Used to convey information to local and national stakeholders. Fact sheets have been used to target national stakeholders. Communications Department developed Project fact sheets in Sept 2010.</td>
<td>Can reach a wide audience, which is useful given remoteness of population in local soums. Printed information is well received by local people. Can be used to provide information on specific issue, topic or programme of interest to group or groups.</td>
<td>Information may not be understood or may be misinterpreted. Time-consuming to get internal consensus on Project information and data for distribution. Local communities report that they would like to see more information disclosure. Consultation to date has not been well supported by printed materials.</td>
<td>Develop and implement Project Information Campaign specifically targeting information for local soums; via series of leaflets on key topics. Distribute Company-wide fact sheets to local communities; and supplement with above more locally-focussed materials. Prepare and distribute leaflets, brochures etc on ESIA for local communities to coincide with public release of ESIA.</td>
</tr>
<tr>
<td>Newsletters</td>
<td>A monthly Community Relations newsletter is produced and distributed in local soums. The Sersen Gobi magazine is produced quarterly and distributed throughout the region.</td>
<td>Ongoing contact, flexible format can address changing needs and audiences. Local communities report that Community Relations newsletter is useful and provides good information.</td>
<td>Not everyone will read a newsletter. Herders report that they do not like the name of the Sersen Gobi (Awaken Gobi) magazine. Community Relations newsletter to date has focused on community relations issues rather than providing Project-wide information, such as construction updates.</td>
<td>Review and revise Community Relations newsletter with a view to expand content in 2012; seek input on content through Community-Based Organisations. Obtain herder input into renaming Sersen Gobi; conduct workshops/surveys</td>
</tr>
<tr>
<td>Unstaffed Exhibits/Displays</td>
<td>Set up in public areas to convey information. Oyu Tolgoi has used displays at some trade fairs etc. Overall use to date has been limited.</td>
<td>Can be viewed at a convenient time and at leisure. Graphics can help visualize proposals.</td>
<td>Information may not be understood or be misinterpreted. Difficult to find high-traffic areas, particularly for herders. There is no weekly/monthly market and sometimes herders don’t visit soum centre for months.</td>
<td>Display Project information in bagh and soum community buildings, e.g. soum administration building</td>
</tr>
<tr>
<td>Local Newspaper Articles, Radio or Television Pieces</td>
<td>Conveys information about a proposed activity of the Project or progress report. Mongol Gobi newspaper publishes every 10 days reaches South Gobi people.</td>
<td>Newspaper is cheap form of publicity. A means of reaching a local audience. Televisions and radios available in many households</td>
<td>Circulation is limited in local soums. Televisions and radio can be expensive depending on price.</td>
<td>Investigate potential for entering into an agreement with local newspaper. Send Project information on monthly basis. Collaborate with Communications Department on TV/Radio pieces for local audiences.</td>
</tr>
<tr>
<td>Method / Tool</td>
<td>Description and Use</td>
<td>Findings Positive</td>
<td>Findings Negative</td>
<td>Actions</td>
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<tr>
<td>National Newspaper Articles</td>
<td>Conveys information about a proposed activity.</td>
<td>Potential to reach a very large audience. Good for providing information to national stakeholders. Major Project milestones covered in media to date.</td>
<td>Unless an activity has gained a national profile, it will be of limited interest.</td>
<td>Communications Department actively seeks opportunities to place articles in national media.</td>
</tr>
<tr>
<td>Site Tours/Visits</td>
<td>Provides first-hand experience of the Project and related issues.</td>
<td>Issues brought to life through real examples.</td>
<td>Can be difficult to have non-workforce personnel at site for health &amp; safety reasons.</td>
<td>Hold site visits for selected members of local communities.</td>
</tr>
<tr>
<td>Audio-visual information and presentations</td>
<td>Visually convey information to communities. Presentations used extensively by Oyu Tolgoi to date.</td>
<td>It is easy for community to get information and is more easily remembered. Local communities usually respond well to audio-visual presentations/videos.</td>
<td>Videos can be time consuming to prepare, and costly.</td>
<td>Oyu Tolgoi will make documentary about the Project development, procedures, policies and investments with simplified content. Presentations will continue to be used at bagh meetings and other consultation events.</td>
</tr>
<tr>
<td>Level 2. Information Feedback</td>
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<tr>
<td>Staffed Exhibits/Open Days</td>
<td>Open Days for the Project have been held in each of the four target soums. Other displays could be set up in public areas to convey information. Staff need to be available.</td>
<td>Can be viewed at a convenient time and at leisure. Graphics can help.</td>
<td>Requires a major commitment of staff time. Herders are nomadic and do not visit soum centre or other community facilities regularly.</td>
<td>Investigate potential for mobile display vehicle, particularly for herder consultation.</td>
</tr>
<tr>
<td>Staffed Telephone Lines</td>
<td>Can phone to obtain information, ask questions or make comments about proposals or issues. Oyu Tolgoi provides telephone numbers for its Community Relations Officers and related staff.</td>
<td>Easy for people to participate and provide comments. Promotes a feeling of accessibility.</td>
<td>May not be as good as face-to-face discussions. Staff may not have knowledge to respond to all questions. Telephone services not available in remote soum locations.</td>
<td>Consider “hotline” for the Project as it moves into operations; and as soum access to telephone services improve.</td>
</tr>
<tr>
<td>Internet/Website</td>
<td>Used to promote information or invite feedback. Oyu Tolgoi website is regularly updated and available in Mongolian and English.</td>
<td>Potential global audience. Convenient method for those with internet access.</td>
<td>Not all parties/stakeholders have access to the internet. Oyu Tolgoi website does not provide real-time information that local stakeholders require.</td>
<td>Further development of Oyu Tolgoi website.</td>
</tr>
<tr>
<td>Local Community (bagh) meetings</td>
<td>Used to exchange information and views. Public meetings have been held during development of EIA's. Oyu Tolgoi attends bagh-level</td>
<td>Can meet with other stakeholders. Demonstrates Oyu Tolgoi willing to meet with other interested parties. Oyu Tolgoi can give quarterly update at bagh meetings in an already established forum which local people</td>
<td>Can be complex and unpredictable. Public meetings have been difficult in the past to obtain constructive discussion. Oyu Tolgoi is guest at bagh meetings, not host – so is less able to guide</td>
<td>Prepare set agenda for Oyu Tolgoi presentation and question time at bagh meetings; continue to attend bagh meetings. Ensure appropriate technical staff present at all public meetings that Oyu Tolgoi</td>
</tr>
<tr>
<td>Method / Tool</td>
<td>Description and Use</td>
<td>Findings Positive</td>
<td>Findings Negative</td>
<td>Actions</td>
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<tr>
<td>Meetings each quarter in Khanbogd soum and provides presentation.</td>
<td>Attend.</td>
<td>Structure and format of meeting.</td>
<td>Attends to answer questions, e.g. environment team, construction staff etc.</td>
<td></td>
</tr>
<tr>
<td>Surveys, Interviews and Questionnaires</td>
<td>Surveys, interviews and questionnaires have been used extensively for obtaining information and opinions. Environment information disclosure survey has been conducted.</td>
<td>Confidential surveys may result in more candid responses. Can identify existing knowledge, concern, level of information and appropriate channel to deliver and disclose effectively information to broader community members.</td>
<td>Response rate can be poor. Responses may not be representative and opinions change. Local stakeholders may become fatigued by over-use of surveys and questionnaires.</td>
<td>Oyu Tolgoi will continue to use these methods as needed and appropriate. Surveys planned include an Annual Survey of Households Affected by Land Acquisition, Survey to Study Local and Regional Influx, Student Survey.</td>
</tr>
<tr>
<td>Suggestion Box</td>
<td>Started use suggestion boxes in soum centres 2010. Used to receive feedback from community.</td>
<td>Can collect feedback that is not publically expressed. Easy format to collect questions and avoid classifying queries/concerns as complaints.</td>
<td>Appropriate location for suggestion box needs further thought as input to boxes to date has been low.</td>
<td>Investigate potential for changing the existing locations of suggestion boxes from offices and using a range of other appropriate mechanisms for gathering complaints or concerns.</td>
</tr>
<tr>
<td>Level 3. Involvement &amp; Consultation</td>
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<tr>
<td>Household Visits</td>
<td>Household-level visits have been conducted to negotiate mitigation and livelihood improvement measures with economically displaced herders. Oyu Tolgoi conducts household visits (on rotational basis) when it distributes community relations newsletter.</td>
<td>Household visits and interviews well received by herders. Individual interviews/discussions are the preferred method of communication with the Project. Household visits have been effective in helping to reach agreement between Company and affected people.</td>
<td>Household visits are extremely time consuming and require extensive staff time. Local weather conditions also prevent household visits at some times of the year. Household level meetings can limit the number of technical staff able to attend and discuss key issues.</td>
<td>Household visits and khot ail (herding household groups) meetings will be used to further develop and implement livelihood improvement programmes for economically displaced herder households.</td>
</tr>
<tr>
<td>Workshops, Focus Group Discussions</td>
<td>Used to provide background information, discuss issues in detail and solve problems. Workshops and focus groups have been used extensively in SIA process and to develop key community programmes with local residents and authorities.</td>
<td>Provides an open exchange of ideas. Can deal with complex issues and consider issues in depth. Can be targeted to specific sections of the community that might require special attention in consultation (e.g. women, elderly, youth, herders etc).</td>
<td>Only a small number of individuals can participate. Full range of interests not represented in each group, so several groups are required to ensure broad representation.</td>
<td>Oyu Tolgoi will continue to utilise workshops and focus groups to target women, youth, elderly, herders, and vulnerable people.</td>
</tr>
<tr>
<td>Branch Offices/Open Houses</td>
<td>Branch Offices are available in soum centres. People are able to visit, learn about the Project and provide feedback.</td>
<td>Can be visited at a convenient time and at leisure. Oyu Tolgoi records questions and comments from visits to track local community issues for the Project.</td>
<td>Initially visits to offices were frequent, but over time this has reduced significantly as initial curiosity has been satisfied. Displays and information may not be sufficient to meet community needs.</td>
<td>Investigate ways to improve displays at Branch Offices, by peak Construction Regularly update offices with information on key topics of interest to communities; show progress of construction. Register of visitors and their comments.</td>
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<tr>
<td>Method / Tool</td>
<td>Description and Use</td>
<td>Findings Positive</td>
<td>Findings Negative</td>
<td>Actions</td>
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<tr>
<td><strong>Level 4. Extended Involvement/Negotiations</strong></td>
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<tr>
<td>Community-Based Organisations</td>
<td>People representing particular interests or areas of expertise, e.g., community leaders, meet to discuss issues. A number of local advisory groups and committees have been established by Oyu Tolgoi in 2010.</td>
<td>Can consider issues in detail and highlight the decision-making process and the complexities involved. Local stakeholders and authorities are keen to participate in advisory groups. Can help to reduce consultation fatigue among individual households/residents.</td>
<td>Not all interests may be represented. Requires ongoing commitment from participants. May need to provide stipend or payment if involvement in groups/committees becomes excessive.</td>
<td>Local Advisory Groups set up in soum centres. Establish Compensation Working Group with economically displaced herders established. Other working groups developed include Cultural Heritage Advisory Committee (established) and Community Health, Safety &amp; Security Advisory Committee (in progress). Participatory Environmental Monitoring group established.</td>
</tr>
<tr>
<td>Public Education, Outreach</td>
<td>Community briefings, study tours and education/training sessions. Used to raise awareness on key issues that may affect local residents. Oyu Tolgoi has conducted a number of study tours and education events in exploration.</td>
<td>Public education, outreach and study tours are well received by local people. Local people identify training as a key requirement to help them increase their incomes and improve their standard of living.</td>
<td>Can be difficult to find time that suits wide range of participants. Training and outreach programmes can be costly if involving large numbers of the community. Are not as effective if groups too large.</td>
<td>A number of key community briefings and workshops will be implemented.</td>
</tr>
<tr>
<td>Mediation Committee</td>
<td>Group of respected citizens who come together when needed to resolve a dispute or persisting grievance against the company</td>
<td>Can consider issues in detail and in a relatively short period of time. As members command community respect and are impartial, solutions can be reached to satisfy all parties.</td>
<td>Difficult to find enough respected community members with the time and interest to participate.</td>
<td>Establish mediation committee or similar for Khanbogd soum to resolve potential future conflicts.</td>
</tr>
<tr>
<td>Cooperation Agreements/Visioning</td>
<td>Used to develop a shared vision of the future to be used as the basis for future community development planning. Steering Committees established as a consultative body on planning. Oyu Tolgoi has engaged local NGOs and specialist “community visioning” consultants to facilitate the soum-level visioning exercise and develop a clear and broad-based community vision for each of the four target soums around the Project. This exercise is also intended to result in the development of strategic community development plans and programmes for each soum.</td>
<td>Develops a common view of future needs in local communities. All parties define own roles, so they move away from dependency upon the mine. Cooperation Agreements are requirement of Investment Agreement as well as Rio Tinto Communities Standards.</td>
<td>Needs to be used early in the decision-making process. Costly as large number of stakeholders accommodated and to give up time for several days. Challenging process to balance all participant views but works well if managed professionally. Needs to be aligned with Local Advisory Groups.</td>
<td>Oyu Tolgoi successfully sponsored Visioning workshops in all four target soums. Outcomes being used as foundation for agreements between Oyu Tolgoi and communities.</td>
</tr>
<tr>
<td>Method / Tool</td>
<td>Description and Use</td>
<td>Findings Positive</td>
<td>Findings Negative</td>
<td>Actions</td>
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<tr>
<td>Visioning exercises</td>
<td>Visioning exercises have been completed with all target communities and a range of government and non-government stakeholders.</td>
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14.8 ACTION PLAN

Oyu Tolgoi has developed a schedule and Action Plan based on results from the assessment of the stakeholder engagement programme to date. The action plan identifies target groups and the specific range of engagement activities required for each group.

Table 14.8 below summarises the Stakeholder Engagement Action Plan for 2011-2013.

The Action Plan will be reviewed regularly, at least every three months during construction, to ensure that it remains valid and meets the needs of Oyu Tolgoi, local communities and other relevant stakeholders as identified in this SEP. The Action Plan is maintained and implemented by the respective Managers responsible for engagement with different stakeholder groups.
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Purpose</th>
<th>Tasks/Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
<th>Project Phase</th>
</tr>
</thead>
</table>
| SE01-a | Economically Displaced Households                | Agree compensation and livelihood restoration measures for affected households | ▪ Compensation Working Group meetings, bagh meetings and household visits to agree entitlements.  
▪ Sign compensation agreements.                                                                 | Regular meetings, at least quarterly during 2011  
All agreements to be signed by end 2012                                                                                 | Oyu Tolgoi CSP                          | Construction         |
| SE01-b | Economically Displaced Households                | Implement compensation and livelihood restoration measures with affected households | ▪ Household visits to disburse education support packages and compensation.  
▪ Meetings, workshops, training to implement tailored livelihood restoration packages.  
Implementation details are provided in Chapter D15: Resettlement Action Plan                                                 | As required during 2011 - 2012                                                                 | Oyu Tolgoi CSP                          | Construction Operations |
| SE01-c | Economically Displaced Households                | Monitor herders employed as road side/airport perimeter maintenance workers | ▪ Conduct visits to herders casually employed by Project.                                                                                         | Monthly for at least first two years of employment                                         | Oyu Tolgoi CSP                          | Construction Operations |
| SE02  | Both Physically and Economically Affected Households | Monitor displaced herders to ensure compensation and other benefits properly implemented and effective. | ▪ Conduct household visits to monitor livelihood restoration and any potential cases of hardship.  
▪ Conduct satisfaction surveys of displaced households.  
▪ Conduct Completion Audit of displaced households; assess overall programme.  
Further details are provided in Chapter D15: Resettlement Action Plan                                                                 | Semi-annual household visits and interviews  
Formal survey every 2 years until Completion Audit  
Completion Audit when livelihood restoration deemed complete  
17                                                                                                                                  | Oyu Tolgoi CSP                          | Construction Operations |
| SE03  | Khanbogd Soum Herder Households                  | Implement the Participatory Environmental Monitoring (PEM) Programme with local herder households. | ▪ Implement dust pastureland management and water monitoring programmes with households.  
▪ Record results and circulate in                                                                                                 | As required by Participatory Environmental Monitoring (PEM) regime                           | Oyu Tolgoi CSP                          | Construction Operations |

17 About 3 to 5 years after conclusion of the last agreement – to be assessed via household surveys.
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<tr>
<th>ID</th>
<th>Target Group</th>
<th>Purpose</th>
<th>Tasks/Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
<th>Project Phase</th>
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</table>
| SE03-a | Khanbogd Soum Herder Households     | Identify measures to provide community compensation for loss of grazing land to Khanbogd soum herders. | ▪ Participate with Pasture NGO and Mongolian Society for Range Management.  
▪ Participate in meetings with Pasture User Groups as required. | Community compensation measures identified by end 2012 and implemented by end 2013 | Oyu Tolgoi CSP       | Construction Operations |
| SE04 | Herders Adjacent to Undai River and other interested parties | Implement targeted Undai River community consultation including disclosure of easy to understand illustrative materials on Undai river diversion. | ▪ Oyu Tolgoi has undertaken a range of consultation activities related to the Undai and will continue to do so before, during and after the construction of the Undai diversion. Prior to construction, Oyu Tolgoi will continue to work with affected herders and local communities to reaffirm its commitment to the continuity of water supply and to identify any additional information it can provide or actions it can undertake to provide herders and local communities with assurance that the diversion, and Oyu Tolgoi’s adaptive management approach will ensure the continuity of river flows. Specific activities for CSP in 2012 will include the following:  
▪ Present to bagh meetings, Local Advisory Group, and Khanbogd local Water Working Group  
▪ Hold meetings with Khanbogd and Dalanzadgad environmental NGOs  
▪ Hold Water Open House days at Oyu | Mid-2012 (prior to diversion scheme construction) Monitoring and ongoing consultation until at least end 2013. | CSP team Env. Dept. | Construction Operations |

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18 Oyu Tolgoi has previously provided a commitment to local communities and herders that it will ensure the continuity of water supply (see Section 5.4.4 of Chapter C5: Water Resources).
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Purpose</th>
<th>Tasks/Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
<th>Project Phase</th>
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</thead>
</table>
|    |              |         | Tolgoi office in Khanbogd soum  
        |              |         | Individual meetings and site visits with key stakeholders such as local elders  
        |              |         | Publish river diversion plans and feedback in Monthly Info Sheet  
        |              |         | See Annex C for more details | | | |
| SE05 | Local Advisory Groups | Hold regular meetings between Oyu Tolgoi and Local Advisory Groups. | Record minutes and circulate in communities.  
        |              |         | Implement any actions required from meetings. | Semi-annually during Construction and Operations | Oyu Tolgoi CSP | Construction Operations |
| SE06 | Khanbogd Soum Residents | Provide Project Affected People with access to the community grievance procedure related to the Project. | Provide simple summary leaflet of grievance procedure.  
        |              |         | Educate residents in use of procedure.  
        |              |         | Ensure forms available in public locations. | This was set up in mid 2011 and is ongoing As required | Oyu Tolgoi CSP | All Phases |
|     | Khanbogd Soum Residents | Support appropriate community social/cultural events by sponsorship and/or participation in celebrations. | Support Naadam Festival.  
        |              |         | Participate in Youth for Development Day. | Annually | Oyu Tolgoi CSP | Construction Operations |
|     | Khanbogd Soum Residents | Support resolution of potential future conflicts between Oyu Tolgoi and Khanbogd residents | Consultation through Mediation Committee or similar to support conflict resolution and management within the community. Involve bagh and soum governors. | From end 2011 and is ongoing | Oyu Tolgoi CSP | Construction Operations |
|     | Khanbogd Soum Residents | Provide regular Project updates and obtain feedback and concerns | Attend bagh meetings held in each of the four baghs. Record outcomes applicable to Oyu Tolgoi and report | Quarterly throughout Construction and Operations | Oyu Tolgoi CSP | All Phases |

19 Khanbogd soum residents include bagh and soum governors, other local authorities, and any segments of the community who will be targeted for consultation as required, e.g. local businesses, NGOs/CBOs etc.
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<thead>
<tr>
<th>ID</th>
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</thead>
</table>
|    | Khanbogd Soum Residents | Raise awareness and prepare communities on potential emergency scenarios that could be caused by the Project, could affect the community and how to respond to such scenarios | ▪ Use workshops/focus groups, bagh meetings etc to develop and test plans.  
▪ Target herders, children and other vulnerable groups.  
▪ Document plans and use leaflets etc to disclose widely within the communities. | End Q3 2012 then test plans Annually | Oyu Tolgoi CSP | Construction Operations |
|    | Khanbogd Soum Residents | Pay respect and provide hospitality to senior citizens in Khanbogd Soum | ▪ Provide site tour, lunch, presentations etc for senior citizens on Elderly Day.  
▪ Sponsor/participate in Tsaagan Sar celebrations. | As needed or at least annually | Oyu Tolgoi CSP | Construction Operations |
| SE07 | Vulnerable People within Affected Herder Group and Khanbogd Soum | Identify support that may be required to ensure vulnerable people can access Project benefits | ▪ Consult with vulnerable people and soum authorities to update identification of vulnerable people and their needs.  
▪ Establish vulnerable people programme, involving soum governors and Labour & Social Welfare Office. | Q4 2012 then quarterly before Production | Oyu Tolgoi CSP | Construction Operations |
| SE08 | Directly and Indirectly Affected Communities | Provide affected communities with information on stakeholder engagement programme  
Keep affected community updated on Project activities | ▪ Prepare & disclose summary brochure on the stakeholder engagement programme to local communities.  
▪ Conduct targeted consultation on Oyu Tolgoi fence extension; infrastructure investments/supports; local worker and job-readiness training; hiring policies and procedures; other projects and programmes.  
▪ Prepare and distribute publications including Community Newsletter; Fact Sheets; Children’s Book; Leaflets; etc. | Brochure developed by Disclosure  
Other regular consultation as required | Oyu Tolgoi CSP | Construction Operations |
<p>|    | Directly and Indirectly Affected Communities | Establish formal Agreements between Oyu Tolgoi and South Gobi aimag and Khanbogd | ▪ Facilitate community visioning with target communities and finalise Cooperation Agreements. | End 2013 | Oyu Tolgoi CSP | Construction Operations |</p>
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Purpose</th>
<th>Tasks/Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
<th>Project Phase</th>
</tr>
</thead>
</table>
|     | Directly and Indirectly Affected Communities     | Raise awareness and educate local communities on important environmental, cultural, and safety issues related to the Project | ★ Community safety briefings on potential exposure to Project hazards, particularly for herders residing nearby to construction activities and equipment.  
★ Health promotion to herders, youth and high risk groups on STIs/HIV prevention.  
★ Collaborate with local government and other partners to support health promotion on other communicable diseases/STIs, health lifestyles etc.  
★ Cultural heritage properties and protection awareness programme. | From end 2011 and then as required | Oyu Tolgoi CSP                              | Construction Operations |
|     | (community health and environmental amenity)     |                                                                                        |                                                                                                |                                           |                                        |                      |
|     | Directly and Indirectly Affected Communities     | Provide opportunities for public to engage with Oyu Tolgoi and obtain first-hand experience of mine activities | ★ Staffed exhibits/displays.  
★ Open Days.  
★ Site tours and field visits. | Annually from 2011 | Oyu Tolgoi CSP                              | Construction Operations |
|     | (e.g. Khanbogd, Manlai and Choir)                |                                                                                        |                                                                                                |                                           |                                        |                      |
| SE09 | Transport route communities                      | Raise awareness and educate residents on how to avoid traffic safety impacts       | ★ Traffic safety briefings for residents with focus on herder households, elderly, children.  
★ Develop and test community emergency response plans with respect to potential traffic incidents. | From end 2011 then as required | Oyu Tolgoi CSP                              | Construction Operations |
|     | communities (e.g. Khanbogd, Manlai and Choir)    |                                                                                        |                                                                                                |                                           |                                        |                      |
| SE10 | Employees and Contractors                        | Ensure workers and visitors are aware of the cultural context and briefed on obligations towards communities | ★ Implement community relations and cross-cultural awareness training at all Project sites/offices.  
★ Include requirements prohibiting anti-social and illegal behaviour, minimising land disturbance and protecting cultural heritage. | As required | Oyu Tolgoi CSP                              | Construction Operations |
<p>| | | | | | | |
|     |                                                  |                                                                                        |                                                                                                |                                           |                                        |                      |
| SE11 | Local/Regional Media                             | Provide key Project information to media groups                                   | ★ Provide regular articles to Mongol Gobi newspaper. Coordinate with other Oyu                   | As required at key Project milestones     | Oyu Tolgoi Communication                  | All Phases            |
|     |                                                  |                                                                                        |                                                                                                |                                           |                                        |                      |</p>
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<tr>
<th>ID</th>
<th>Target Group</th>
<th>Purpose</th>
<th>Tasks/Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
<th>Project Phase</th>
</tr>
</thead>
</table>
| SE12 | National Public/Non-Government Organisation | Provide opportunities for interested national stakeholders to obtain information on the Project and be consulted in key topics | • Public notices, public meetings, and targeted consultation with key groups on specific issues/opportunities.  
• Regular Project reporting and updated content on website. | As required | Oyu Tolgoi Communication | All Phases |
| SE13 | National/Regional Government | Keep Government regularly briefed and updated on Project activities | • Update and briefing sessions with relevant Ministers.  
• South Gobi Regional Development Council meetings. | As required | Oyu Tolgoi Communication  
Oyu Tolgoi CSP | All Phases |
| SE14 | International stakeholders | Provide opportunities for interested international stakeholders to obtain key information on the Project | • Regular Project updates and key documentation provided on websites (Oyu Tolgoi, Rio Tinto etc). | As required | Oyu Tolgoi Communication  
Oyu Tolgoi CSP | All Phases |
<p>| SE15-a | Community Consultation | Implementation of Oyu Tolgoi obligations with regards to consultation with identified stakeholders and affected communities | Continue regular consultation forums during construction and operations, including open days at soum and bagh centres, household visits, site visits, and focus group discussions in accordance with on-going community relations activities. | As required | Oyu Tolgoi CSP | All Phases |
| SE15-b | Community Consultation | Implementation of Oyu Tolgoi obligations with regards to consultation with identified stakeholders and affected communities | Continue to consult with community groups , including Compensation Working Group, Local Advisory Groups, Pasture User Groups and others. | As required | Oyu Tolgoi CSP | All Phases |
| SE15-c | Community Consultation | Implementation of Oyu Tolgoi obligations with regards to consultation with identified stakeholders and affected communities | Implement ongoing Project Information Campaign specifically targeting information for local soums; via series of leaflets on key topics; project newsletters, local, regional and national media articles. | As required | Oyu Tolgoi CSP | All Phases |
| SE15-d | Community | Implementation of Oyu Tolgoi obligations with regards to | Display Project information in bagh and soum community buildings, e.g. Khanbogd | As required | Oyu Tolgoi CSP | All Phases |</p>
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Purpose</th>
<th>Tasks/Methods</th>
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<th>Responsible Parties</th>
<th>Project Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consultation</td>
<td>consultation with identified stakeholders and affected communities</td>
<td>administration office and Oyu Tolgoi branch offices, during construction and operations.</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Community</td>
<td>Implementation of Oyu Tolgoi obligations with regards to consultation with identified stakeholders and affected communities</td>
<td>Continue to maintain Oyu Tolgoi website and develop as required.</td>
<td>As required</td>
<td>Oyu Tolgoi Communication Department</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE15-e</td>
<td>Consultation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community</td>
<td>Implementation of Oyu Tolgoi obligations with regards to consultation with identified stakeholders and affected communities</td>
<td>Conduct specific consultation activities in accordance with the action plan for stakeholder engagement.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE15-f</td>
<td>Consultation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community</td>
<td>Implementation of Oyu Tolgoi obligations with regards to consultation with identified stakeholders and affected communities</td>
<td>Conduct regular community safety briefings and consult with communities on emergency preparedness and response planning.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP Oyu Tolgoi H&amp;S</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE15-g</td>
<td>Consultation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management Systems</td>
<td>Maintaining management systems</td>
<td>Maintain Oyu Tolgoi branch offices and community relations staff in the south Gobi.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE16-a</td>
<td>Management Systems</td>
<td>Maintaining management systems</td>
<td>Maintain stakeholder database and records of consultation activities with at least primary stakeholders.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE16-b</td>
<td>Management Systems</td>
<td>Maintaining management systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SE16-c</td>
<td>Management Systems</td>
<td>Maintaining management systems</td>
<td>Update the action plan for local stakeholder engagement at least annually.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE17-a</td>
<td>Grievance Mechanism</td>
<td>Implementation of provisions of Grievance Mechanism</td>
<td>Implement provisions of the Grievance Mechanism for the community</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE17-b</td>
<td>Grievance Mechanism</td>
<td>Implementation of provisions of Grievance Mechanism</td>
<td>Provide simple summary leaflet of Grievance Mechanism procedure for local communities.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE17-c</td>
<td>Grievance Mechanism</td>
<td>Implementation of provisions of Grievance Mechanism</td>
<td>Educate residents in use of Grievance Mechanism procedure.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>ID</td>
<td>Target Group</td>
<td>Purpose</td>
<td>Tasks/Methods</td>
<td>Schedule or Frequency</td>
<td>Responsible Parties</td>
<td>Project Phase</td>
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</tr>
<tr>
<td>SE17-d</td>
<td>Grievance Mechanism</td>
<td>Implementation of provisions of Grievance Mechanism</td>
<td>Ensure Grievance Mechanism forms available in public locations and in appropriate language and format.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE17-e</td>
<td>Grievance Mechanism</td>
<td>Implementation of provisions of Grievance Mechanism</td>
<td>Provide regular report on community complaints and resolution to communities and other relevant stakeholders.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
<tr>
<td>SE18</td>
<td>Cooperation Agreements</td>
<td>Negotiation of Cooperation Agreements</td>
<td>Negotiate and finalise Cooperation Agreements with each of the four soums: Khanbogd, Manlai, Bayan Ovoo and Dalanzadgad.</td>
<td>As required</td>
<td>Oyu Tolgoi CSP</td>
<td>All Phases</td>
</tr>
</tbody>
</table>

* The External Affairs Department maintains a schedule of specific stakeholder engagement activities related to the national public, non-Government Organisations and national Government stakeholders.
14.9 METHODS AND TOOLS FOR ENGAGEMENT

Oyu Tolgoi will continue to use the proven methods of engagement that have been previously undertaken by the Project, as well as some new methods and tools during the Construction and Operations Phases. Each of the key approaches has been assessed by Oyu Tolgoi (as shown in Table 14.8 above) and is summarized below. Table 14.9 shows which key methods and tools will be used to engage with different stakeholder groups.

Table 14.9: Engagement and Disclosure Methods for Different Stakeholder Groups

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Key engagement and disclosure methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physically and economically</td>
<td>Compensation Working Group, Pasture User Groups, Pasture User NGO, household visits/consultation, <em>bagh</em> meetings, surveys, focus groups and workshops, other local working groups, local disclosure materials (e.g. newsletter, brochures etc)</td>
</tr>
<tr>
<td>displaced people</td>
<td></td>
</tr>
<tr>
<td>Khanbogd, Bayan Ovoo, Manlai and</td>
<td>Local Advisory Groups, surveys, focus groups and workshops, open houses, Oyu Tolgoi branch offices/open houses, Open Days, other local working groups</td>
</tr>
<tr>
<td>Dalanzadgad communities</td>
<td></td>
</tr>
<tr>
<td>Vulnerable Groups</td>
<td>Compensation Working Group*, household visits, individual meetings, focus groups and workshops, local disclosure materials</td>
</tr>
<tr>
<td>Local/Regional Authorities</td>
<td><em>Bagh</em> meetings, individual meetings, focus groups and workshops, Oyu Tolgoi branch offices/open houses, local disclosure materials</td>
</tr>
<tr>
<td>Local Businesses</td>
<td>Individual discussions, questionnaires, focus groups and workshops, supplier development programme</td>
</tr>
<tr>
<td>Local CBOs/NGOs</td>
<td>Open Days, Oyu Tolgoi branch offices/open houses, individual meetings, focus groups and workshops, community development programmes (as partners)</td>
</tr>
<tr>
<td>Project Employees</td>
<td>Ulaanbaatar, Dalanzadgad, Khanbogd, Manlai, Bayan Ovoo, and Oyu Tolgoi site offices and internal communications, website, individual discussions, intranet</td>
</tr>
<tr>
<td>Central Government Agencies</td>
<td>South Gobi Regional Development Council, update and briefing sessions with representatives</td>
</tr>
<tr>
<td>General Public</td>
<td>Sersen Gobi magazine, newspapers, radio, public meetings, website</td>
</tr>
<tr>
<td>Businesses and Industry</td>
<td>South Gobi Regional Development Council, industry events, individual meetings, supplier development programme</td>
</tr>
<tr>
<td>National/International NGOs</td>
<td>Site tours, individual meetings, website, Sersen Gobi, workshops, community development programmes (as partners)</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>Individual meetings, website, workshops</td>
</tr>
<tr>
<td>Media</td>
<td>Interviews, press releases/newspaper articles, website</td>
</tr>
</tbody>
</table>

* The Compensation Working Group is representative of directly affected herders. It is being used as a forum to hold preliminary discussions about how to provide additional support to vulnerable families/people within the directly affected herder group.

14.9.1 Meetings and Sessions with Mongolian Government

Oyu Tolgoi engages regularly with national-level Government, mainly technical departments of the key Ministries (Environment, Social Welfare & Labour, Mineral Resources & Energy, Finance) concerning the Project and Project-affected people. There are also several formal structures representing Government departments related to the Oyu Tolgoi Project. Within Oyu Tolgoi, the Communications and Government Relations Department are responsible for maintaining relationships with key government agencies and ensuring that they are regularly updated on progress.

Southern Gobi Regional Development Council

The "Southern Gobi Regional Development Council" was established under the Investment Agreement and is chaired by a South Gobi Member of Parliament. It dictates that the "...Company will implement social and economic programmes together with the Southern Gobi Regional Development Council."
The Council is a multi-stakeholder entity, that will "elaborate development strategy and plan of the South Gobi region...". It includes senior civil servants of the relevant departments of key Ministries as well as representatives from Oyu Tolgoi, other mining companies in the region and civil society.

The Council had its first informal meeting in August 2010 and is working actively towards formalising its processes so as to be fully functional before production starts at Oyu Tolgoi. A member of the Regional Development team and senior Oyu Tolgoi managers attend these meetings on behalf of the Company. Oyu Tolgoi maintains records of its involvement in the Council.

**Update and Briefing Sessions**

Oyu Tolgoi holds update and briefing sessions with all levels of Government, including key ministries and their line agencies at the aimag level. During construction and operations of the Project, Oyu Tolgoi will at least annually, hold update and briefing sessions with interested government representatives in Ulaanbaatar and Dalanzadgad (or more often, if required).

### 14.9.2 Household Visits/Consultation

Household visits are a preferred method of consultation with Oyu Tolgoi for herder families, who are often located far away from the mine site or the soum centre. Community relations staff make regular household visits to meet with residents, provide a general Project update, disclose materials, and listen to any concerns from families about the Project. Due to the low population density in the soum, Oyu Tolgoi is able to conduct household visits with most herder households at one time or another throughout the year, and more often with directly-affected households.

Household visits are the key method to consult with directly affected herder households in Khanbogd, and other families who may require special assistance (e.g. vulnerable families). Household visits will be used to monitor progress of implementation of compensation and livelihood restoration measures for affected herders.

### 14.9.3 Participation in Community Development Programmes

Community development projects have been in place since 2004 at Oyu Tolgoi. The core five programmes for health, education, local business development, cultural heritage and herder support have been central to community consultation and engagement efforts conducted by the Project during exploration and early works construction. As a result, numerous local communities, NGOs and other partners have been engaged with the Project on community development initiatives for several years.

Since the Investment Agreement was signed in October 2009, Oyu Tolgoi has actively sought to develop long-term community development initiatives within its target soums. A series of regional community development programmes have been launched including:

- Herder Livelihood Improvement Programme;
- Local Business & Economic Development Programme;
- Cultural Heritage Programme (CHP);
- Community Health, Safety, and Security Programme (CHSSP);
- A Participatory Environmental Monitoring (PEM) Programme by stakeholders for the Project;
- Local Supplier Development Programme, with programmes started in Khanbogd, Dalanzadgad, and Ulaanbaatar; and
- Local and Regional Planning and Infrastructure (LRPI) Programme.

Each of these programmes is being developed through extensive consultation with local, regional and national stakeholders. Further information on working groups associated with these initiatives is provided in Section 14.9.4 below.

### 14.9.4 Pasture NGO and Pasture User Groups

The Mongolian Society for Range Management (MSRM) on behalf of Oyu Tolgoi, has facilitated the establishment of Pasture User Groups by herder communities in Khanbogd soum. This is part of the initial work for the Sustainable Pastureland Management Programme being implemented by Oyu Tolgoi.
The aim of these Pasture User Groups is to mobilise groups of herders within different khot ail (herder communities) to work collaboratively on pasturage management and preservation. A total of 14 groups have been established and MSRM experts are helping these groups to develop pasturage management plans. The MSRM has also facilitated establishment of a Pasture NGO in the soum. The Sustainable Pasturage Management Programme will be implemented through these groups (for further information see D15: Resettlement Action Plan).

14.9.5 Community Visioning and Cooperation Agreements

Oyu Tolgoi began development of Cooperation Agreements with local communities and soum/aimag authorities in September 2010, in accordance with Article 42 of the Minerals Law (2006) and with the then current Rio Tinto Communities Standards.

The Community Development Department is responsible for facilitating development of these Cooperation Agreements with local communities. Oyu Tolgoi has engaged local NGOs and specialist "community visioning" consultants to facilitate the soum-level visioning exercise and develop a clear and broad-based community vision for each of the four target soums around the Project. This exercise is also intended to result in the development of strategic community development plans and programmes for each soum.

Visioning exercises have been completed with all target communities and a range of government and non-government stakeholders. A Steering Committee was established to guide the process and identify participants, and facilitate the future agreements (this included aimag and soum authorities, herders and elders representatives, local women’s and youth NGOs, business representatives and Oyu Tolgoi).

Agreements will be finalised during Q1 2013 with each of the four soums, Khanbogd, Manlai, Bayan Ovoo and Dalanzadgad, and it is expected that formal agreements will be finalised with communities before production begins.

14.9.6 Surveys and Interviews

Surveys, Key Informant Interviews and Semi-Structured Interviews have been used extensively for the Oyu Tolgoi Project to date. These include for the Omnogovi Social, Environmental and Economic Baseline Study, Socio-Economic Impact Assessment, Survey of Potentially Affected Herder Households, Economic Impact Assessment of the Oyu Tolgoi Project on the south Gobi region, and to design the various community development programmes being implemented for the Project (e.g. Cultural Heritage Programme, Community Health, Safety and Security Impact Assessment and Programme, Sustainable Pasturage Management Programme, and numerous others).

Surveys and interviews will continue to be a key consultation tool for the Project, and those already planned include at least an Annual Survey of Households Affected by Land Acquisition and associated impacts, a Survey to Study Local and Regional Influx, and a Household Survey of Khanbogd Residents to update socio-economic data for ongoing monitoring and evaluation. Student surveys and youth development events are also scheduled for 2011/2012. Oyu Tolgoi will seek to ensure that there is a representative sample by gender and other applicable demographic criteria when undertaking surveys and interviews, and disaggregate data to the greatest extent possible.

14.9.7 Focus Group Discussions and Workshops

Focus Group Discussions/Workshops are important tools used by Oyu Tolgoi to engage specific sections of the community that might require special attention in consultation, e.g. women, youth, elderly, herders etc. Oyu Tolgoi has used focus groups and small group workshops numerous times with sections of the community and these have been well received by stakeholders. For example, in the visioning exercises conducted with local soums in September to November 2010, focus group discussions and workshops were held with specific stakeholder groups, including youth, herders, women, education and health professionals, government and NGOs.

Oyu Tolgoi will regularly hold separate focus groups and small group meetings for women, youth, herders, vulnerable people and other sections of the community as required, to encourage open discussion.
14.9.8 Local Community (Bagh Khural) Meetings

Since 2004, Oyu Tolgoi has attended the quarterly bagh meetings that are organised by the bagh and soum governors in the four baghs of Khanbogd soum. Community Relations Officers in Khanbogd and the Oyu Tolgoi Vice President based at the mine site usually attend these meetings. Other technical staff such as environmental or construction team representatives attend where necessary. Oyu Tolgoi gives a presentation about the Project and its status, and answers any questions and comments from the attendees. Khanbogd has the highest participation rates in bagh Khurals in the aimag with 44% of households attending four times a year of more, twice the aimag average, thus it is a good forum to engage with the herding population.20

14.9.9 Public Events, Education & Outreach

Building on the success and effectiveness of numerous public education and outreach events undertaken by Oyu Tolgoi since 2003, the Company will continue to plan and enable Open Days, as well as Study Tours, Outreach and Education sessions during construction and operations.

These sorts of education events and study tours are well received by local communities and will be used extensively to help local people understand and deal with impacts from the Project (e.g. Community Safety Briefings on potential exposure to Project hazards).

Key events for the Construction Phase will include Community Health & Safety Briefings, Job Readiness Training, English Language Training, Community-based Emergency Preparedness and Response Training, Study Tours for local business and herders to support small business development and Oyu Tolgoi Project Open Days. Oyu Tolgoi also participates in and sponsors a range of celebrations important to the local and regional area, including Nadaam (New Year), Elderly Day, and Tsagaan Sar (Lunar New Year).

14.9.10 Site Tours

Oyu Tolgoi has hosted numerous Project site tours for media, NGOs, and government officials, as well as conducted field visits on responsible mining for a range of stakeholders. Oyu Tolgoi will continue to use open houses/site tours at the mine site during the Construction and Operations Phases, to show representatives of the national, regional and local government and other interested people invited by the Company, the progress of the Project.

Site tours will also be used to update local communities on what the current state of construction or development at the mine actually looks like, and to further enable them to contribute meaningfully to the stakeholder engagement process. Visitors will not be permitted to enter parts of the Project site where conditions pose a danger or where hazardous work is in progress (in accordance with the Project CHHS Management Plan).

14.10 METHODS OF INFORMATION DISCLOSURE

Each of the key methods of disclosure that will be employed are described in the following sections. Oyu Tolgoi will develop disclosure materials that are clear, consistent and provided in a timely manner to local communities and other stakeholders.

The Regional Development & Communications Department will maintain a collection of disclosure materials and records of when and where these are disseminated within local and regional communities. The Communications Department maintains a register of national level information disclosure.

14.10.1 Internet/Website

Oyu Tolgoi has a dedicated website (www.ot.mn) which is in both Mongolian and English. The website contains background information about the Project, policy documents, as well as current details about activities being undertaken and key Project milestones. A range of environmental and social reports

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20 Oyu Tolgoi Project Social, Economic and Environmental Baseline Survey (Subset), 2009.
(including baseline studies, impact assessment reports, and environmental protection plans) are available on this website.

A full copy of the ESIA in both Mongolian and English will be published on the Oyu Tolgoi website. Copies of the Non-Technical Summary of the ESIA (in Mongolian and in English) will also be published on the Oyu Tolgoi website (see also Section 14.11 below). Oyu Tolgoi will continue to use its website to make available other important Project information during the Construction and Operations Phases. The Communications Department is responsible for the Oyu Tolgoi website.

14.10.2 Intranet/Other Employee Forums

The Oyu Tolgoi Portal, an intranet capability, is currently under development by Oyu Tolgoi, and will be completed in late 2012. The Oyu Tolgoi Portal will be available to employees at the various offices, and at the mine site and will enable internal stakeholders to keep up to date with Project activities within the Company and within the community. Other consultation and disclosure with the workforce is currently achieved through the senior leader cascade process, team meetings, events, promotional material, digital media including email, as well as notice boards around the mine site and other work areas. Documentation is provided in relevant languages, including Mongolian, English and Chinese, as required.

14.10.3 Project Information Campaign

Information disclosure materials, such as quarterly published journals on responsible mining, monthly information sheets (Info Sheets) on community relations activities, DVDs with documentaries about the Project (such as Jacaranda and Mongolian national TV-made movies), and brochures and posters on key Project activities, have been used to help keep local communities informed about the Project to date.

In order to coincide with completion of the consolidated ESIA/Management Plans (see also Section 14.11) and peak construction, Oyu Tolgoi launched a fresh Project Information Campaign in 2011 in local soums. Disclosure materials will continue to be prepared and disseminated on topics including the following:

- Construction activities at site/in each area;
- Hiring practices and employment opportunities;
- Business development and supplier opportunities;
- Transport/traffic in the community and related environmental and safety issues;
- Community health and safety briefings and awareness programmes;
- Community emergency preparedness and response;
- Land access, pastureland management and associated issues;
- Ongoing compensation and resettlement activities;
- Waste and environmental issues, particularly related to dust and water resources;
- Road access restrictions/diversions;
- Influx/informal in-migration issues;
- Local worker training;
- Camp Policy and Code of Behaviour;
- Code of Conduct in the Community; and
- Grievance/complaints process and procedures.

A range of methods will be used to disclose information including public notice boards, community newsletters, Project offices, CDs, DVDs, brochures, flyers etc. All information materials will be provided in Mongolian and in a format readily understandable by local people. Some materials are also prepared in English if necessary.
Particular attention will be given to ensuring that people with low literacy levels and other groups that may have trouble accessing information (e.g. children), receive printed information in formats that are appropriate for them. For example, a children's book about the Project and its potential impacts within the community is planned.

14.10.4 Info Sheets, Newsletters & Magazines

Oyu Tolgoi prepares a monthly Newsletter in Mongolian for local communities. This community newsletter has been in place since January 2009 and is used to keep local people regularly up to date with Project related activities and issues.

The Newsletters are distributed within each of the soum centres, at the Oyu Tolgoi branch offices, in local government and other buildings, and other local areas as appropriate. Community relations staff also distribute Info Sheets to herder households directly on a rotational basis.

In addition to local newsletters, Oyu Tolgoi prepares a quarterly magazine called "Sersen Gobi" which is distributed throughout the Omnogovi aimag and Mongolia. It provides an update on Project development, new information about Oyu Tolgoi and other applicable public notices. Other Info Sheets and publications are developed as required.

14.10.5 Newspapers, Television and Radio Pieces

Print media, television and radio are all used by Oyu Tolgoi to provide information about the Project to the population of Mongolia. Specific articles have been published following key milestones in the Project development process. The Project will continue to use radio and print media to announce public forums, key Company information and to provide updated information on the ESIA and the Construction schedule.

Oyu Tolgoi published more information in local newspapers from 2011, through the Mongol Gobi newspaper. The Mongol Gobi is published every 10 days and reaches residents in the south Gobi. The Company intends to contribute monthly information and updates to Mongol Gobi.

14.10.6 Responding to Local People on Questions and Concerns

Oyu Tolgoi recognises the need to have a structured approach to responding to stakeholder questions and concerns and, in particular, to providing consistent and detailed Company responses. A systematic approach will demonstrate that Oyu Tolgoi values input from local communities and deals quickly with minor ‘complaints or grievances' separate from the formal grievance process.

Oyu Tolgoi will use the stakeholder management system, containing records from Community Relations Officers, other Communities & Social Performance (CSP) team staff, public meetings, letters of request, and community diaries, etc to gather information about common questions and issues raised by local people. Regular responses to questions and concerns frequently raised by local communities will be provided at least quarterly and this will be reviewed for operations. Responses will be given to communities via the monthly Info Sheet/newsletter or similar.

This does not supersede the need for Community Relations Officers to formally and informally respond to individual stakeholders on specific requests and issues raised. However, it is a tool designed to assist the Company to provide feedback and responses to local communities, recognising that individual responses to all issues, requests, and suggestions made, is not feasible.

14.11 CONSULTATION AND DISCLOSURE OF THE ESIA

Oyu Tolgoi has been through an extensive consultation and disclosure process regarding the original EIA and SIA documentation that has been prepared for the Project as described in Chapter A6: Community Consultation.

Disclosure and consultation on the consolidated ESIA and Management Plans will be undertaken to ensure that the affected parties are fully aware of the environmental and social impacts that may affect them and Oyu Tolgoi’s commitments towards minimising and managing such impacts. Disclosure and consultation will also allow other interested parties to see the ESIA documentation and make comments on the content and receive feedback from Oyu Tolgoi in terms of comments received.

General activities will include the following:
The ESIA, Management Plans and a non-Technical Summary (NTS) will be released by Oyu Tolgoi on its website, and will also be available in Oyu Tolgoi branch offices in the south Gobi, at soum government offices in Khanbogd and Dalanzadgad and at the Ministry of Nature Environment and Tourism in Ulaanbaatar;

- Disclosure of the ESIA documentation will be in Mongolian and English, as relevant to the location where it is being disclosed;
- Fact Sheets on key ESIA themes/topics and commitments by Oyu Tolgoi to manage impacts will be prepared in Mongolian for local disclosure. Fact Sheets will include information in a culturally-appropriate format for residents in Khanbogd, Manlai, Bayan Ovoo and Dalanzadgad soums;
- Oyu Tolgoi will advise people e.g. through leaflets, newsletters, advisory groups and the media etc, how they can access a copy of the updated ESIA documentation, as well as the timetable and process for making comments on the ESIA;
- Engagement with local communities and applicable local, regional and national authorities on the content of the ESIA/Management Plans to discuss key social and environmental impacts and mitigation measures that may affect them;
- Oyu Tolgoi will provide appropriate mechanisms for stakeholders to provide feedback on the ESIA documentation, including through a response mechanism on the Oyu Tolgoi website, through comment books at branch offices in the Project Area of Influence and through regular contact with community relations staff as part of routine consultation activities; and
- Lenders will provide project information and website links to the Oyu Tolgoi website in accordance with their own disclosure policies.

Table 14.10 sets out the detailed schedule and activities planned for ESIA disclosure and consultation for key stakeholder groups. The table shows the minimum consultation and disclosure activities that will be conducted; additional meetings/forums may be scheduled if specific requests are made by stakeholder groups, or if issues arise that warrant further consultation.

Oyu Tolgoi will conduct extensive pre-disclosure planning with national and local authorities to define a process for ESIA disclosure that is agreed by all key parties. This process will be led by the External Affairs Department, with support from the Communities and Social Performance, Communications, Government Relations, and Environment teams.
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Tasks/Consultation Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
</tr>
</thead>
</table>
| SEIA01 | Local authorities in Khanbogd, Dalanzadgad, Bayan Ovoo and Manlai soums | - Provide copy of ESIA/Management Plans and Non-Technical Summary (NTS) in Mongolian to soum and aimag governors.  
- Provide each bagh governor in Khanbogd with a copy of the NTS.  
- Meet directly with aimag, soum and bagh governors (and their invited government colleagues); explain proposed local ESIA consultation process and agree roles and responsibilities.  
- Explain timetable and process for making comments. Record any feedback and comments provided. | - At start of disclosure process  
- At start of disclosure process  
- Prior to engagement with local communities and one week prior to the start of the disclosure process | Oyu Tolgoi CSP |
| SEIA02 | Herder households in Khanbogd soum                                           | - Provide presentation on ESIA/Management Plans to Compensation Working Group.  
- Provide copy of applicable Fact Sheets in Mongolian to Affected Herder Households.  
- Provide presentation on ESIA/Management Plans to each of the four bagh khural meetings in Khanbogd at their next sitting.  
- Explain timetable and process for making comments. Record any feedback and comments provided. | - Within two weeks of start of disclosure process (except for presentations to bagh khural meetings which will be undertaken at their next siting) | Oyu Tolgoi CSP |
| SEIA03 | Residents of Khanbogd, Dalanzadgad, Bayan Ovoo and Manlai soums             | - Copies of ESIA/Management Plans and NTS will be available in Mongolian at:  
  - Oyu Tolgoi branch office in Khanbogd and at the Oyu Tolgoi mine site Administration Office.  
  - Oyu Tolgoi branch offices in Dalanzadgad, Bayan Ovoo and Manlai soums.  
- Distribute Fact Sheets at Oyu Tolgoi branch offices and in other key locations in the soum, e.g. community centre, hospital, school etc.  
- Notify residents of disclosure of ESIA, e.g. through local media channels, local working groups, notices in soum centre etc. | - At start of disclosure process  
- Complete within one week of start of disclosure process  
- Advertisements placed and notifications made prior to start of disclosure process | Oyu Tolgoi CSP |
| SEIA03 | Residents of Khanbogd, Dalanzadgad, Bayan Ovoo and Manlai soums             | - Provide presentation on ESIA/Management Plans to Local Advisory Groups.  
- Hold “Open Houses” in Khanbogd, Dalanzadgad, Bayan Ovoo and | - Within one month of start of disclosure process depending on local circumstances | |
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Tasks/Consultation Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
</tr>
</thead>
</table>
|      |                               | Manlai at the Oyu Tolgoi branch offices (or similar) to provide opportunities for local residents to consult with Company representatives on the ESIA/Management Plans.  
  - Open House will be for a period of at least 2 days in each *soum*.  
    - Include staffed displays, Fact Sheets, presentations etc. Key Oyu Tolgoi staff (construction, environment, communities, HR, procurement etc) will be available to discuss content and answer questions.  
    - Ensure ESIA documentation disclosed at least 2 weeks prior to Open Houses.  
    - Explain timetable and process for making comments. Provide booklet at Open Houses for people to record feedback and comments.  
  - Prior to start of disclosure process  
    - Within one week of start of disclosure process |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Oyu Tolgoi Communications                                                                                     |
| SEIA04 | Employees, contractors       | Internal workshop with senior managers in Oyu Tolgoi on ESIA/Management Plans and to prepare for local/national consultation with stakeholders; prior to release in Mongolia.  
  - Notify staff, e.g. by posters, announcements etc, about ESIA and where the NTS/other documents can be found.  
  - Provide the NTS and factsheets in Mongolian.  
  - Hold additional briefing meeting(s) with representatives from government to coincide with disclosure by EBRD/IFC. | Prior to start of disclosure process  
  - Within one week of start of disclosure process | Oyu Tolgoi Communications                                                                                     |
  - Provide the NTS and factsheets in Mongolian.  
  - Hold additional briefing meeting(s) with representatives from government to coincide with disclosure by EBRD/IFC. | At start of disclosure process  
  - Prior to start of disclosure process | Oyu Tolgoi External Affairs                                                                                 |
| SEIA06 | General public               | Post consolidated ESIA/Management Plans and related documentation on Oyu Tolgoi website (www.ot.mn).  
  - Explain timetable and process for making comments. Provide feedback mechanism on Oyu Tolgoi website. | At start of disclosure process | Oyu Tolgoi Communications                                                                                     |

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21 Determine days appropriate in consultation with local residents/authorities, for example, two weekends in a row and two week days, or one consecutive week.
<table>
<thead>
<tr>
<th>ID</th>
<th>Target Group</th>
<th>Tasks/Consultation Methods</th>
<th>Schedule or Frequency</th>
<th>Responsible Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>▪ Hold Open House in Ulaanbaatar for interested parties.</td>
<td>▪ As required during the disclosure period</td>
<td></td>
</tr>
<tr>
<td>SEIA07</td>
<td>National &amp; International Civil Society Organisations and NGOs</td>
<td>▪ Notify selected national and international CSOs and NGOs of ESIA documentation on Oyu Tolgoi website.</td>
<td>▪ At start of disclosure process</td>
<td>Oyu Tolgoi External Affairs and Communications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Meet directly with selected national CSO and NGO representatives to discuss content and record any feedback and comments provided.</td>
<td>▪ As required during the disclosure period</td>
<td></td>
</tr>
<tr>
<td>SEIA08</td>
<td>All</td>
<td>▪ Record and collate all comments received on ESIA from meetings, Open Houses and website feedback process.</td>
<td>▪ Throughout disclosure period</td>
<td>Oyu Tolgoi CSP, External Affairs, and Communications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Provide response to comments and an ESIA Supplement as required, within 30 days of end of disclosure period.</td>
<td>▪ Within 30 days of end of disclosure period</td>
<td></td>
</tr>
<tr>
<td>SEIA09-a</td>
<td>All stakeholders</td>
<td>▪ Post ESIA documentation (ESIA, NTS and factsheets) on internet/website once documentation is approved by lenders with mechanism for comments.</td>
<td>▪ At start of disclosure process</td>
<td>Oyu Tolgoi Communications</td>
</tr>
<tr>
<td>SEIA09-b</td>
<td>General public in Mongolia</td>
<td>▪ Post ESIA documentation in Oyu Tolgoi branch offices in the South Gobi, at public locations in Khanbogd and Dalanzadgad and at the Oyu Tolgoi information office in Ulaanbaatar.</td>
<td>▪ At start of disclosure process</td>
<td>Oyu Tolgoi CSP and Communications</td>
</tr>
<tr>
<td>SEIA09-c</td>
<td>General public in Mongolia</td>
<td>▪ Prepare and disclose Fact Sheets on key ESIA themes/topics and commitments by Oyu Tolgoi</td>
<td>▪ At start of disclosure process</td>
<td>Oyu Tolgoi CSP and Communications</td>
</tr>
<tr>
<td>SEIA09-d</td>
<td>Local communities and government authorities</td>
<td>▪ Engage with local communities and applicable local, regional and national authorities on the content of the ESIA/Management Plans to discuss key social and environmental impacts and mitigation measures that may affect them.</td>
<td>▪ Throughout disclosure period</td>
<td>Oyu Tolgoi CSP, External Affairs</td>
</tr>
</tbody>
</table>
14.12 ROLES AND RESPONSIBILITIES

14.12.1 General

Overall responsibility for the implementation of this Stakeholder Engagement Plan shall rest across three departments: Regional Development and Social Performance, External Affairs, and Media and Communications. As shown in Figure 14.4 below, effective stakeholder engagement for the Oyu Tolgoi Project requires cooperation between a number of different teams.

The management teams of these Departments are a combination of experienced community relations, development, and communications specialists from Mongolia and abroad. A number of corporate Rio Tinto advisors are also working with these Departments on areas including cooperation agreements, cultural heritage, community health & safety, community relations, communications, and local economic development.

Figure 14.4: Regional Development & Communications and External Affairs Departments

14.12.2 Regional Development & Communications Department

The Communities & Social Performance team within this Department is responsible for local and regional community engagement. The Communities & Social Performance Manager is specifically responsible for implementing all community engagement aspects related to this plan, and the Community Relations Superintendent who reports directly to the CSP Manager, is responsible for day-to-day implementation of community engagement activities.

The CSP team is divided into three key units as shown in Figure 14.4 and has over 30 full time staff, as well as contractors and interns. This team includes the key personnel that are responsible for community engagement, including:

- Community Relations Superintendent;
- Community Relations Officers;
- Community Programme Managers (e.g. Cultural Heritage, Sustainable Pastureland Management, Community Health, Safety & Security); and
- Stakeholder Management System/Community Information Officers.

The team is spread throughout the head office in Ulaanbaatar, branch offices in Khanbogd, Bayan Ovoo, Manlai and Dalanzadgad, as well as at the Oyu Tolgoi mine site. This team also coordinates a number of community-based consultation committees and working groups, to support local community engagement with Oyu Tolgoi.

The Media and Communications team in this Department is responsible for all media relations and corporate communications. These two teams work closely together on all aspects of stakeholder engagement.

**Community Relations Officers**

During construction and operations, Oyu Tolgoi will continue to employ Community Relations Officers (CROs) to be based at branch offices as follows:

- Dalanzadgad - South Gobi Province, approximately 220 km from Oyu Tolgoi site;
- Oyu Tolgoi Site at the Camp Administration Office;
- Ulaanbaatar - Mongolian Capital, approximately 600 km from Oyu Tolgoi site;
- Khanbogd soum centre; and
- Bayan Ovoo and Manlai soums - neighbouring soums, approximately 65 km and 120 km from Oyu Tolgoi site respectively.

Each Project office is responsible for implementing community engagement activities at the local level, maintaining relationships with key stakeholders and managing any community grievances or informal issues that arise. Each Project office is staffed with CROs who are trained and experienced in working with local communities. Offices are accessible and open week days (and sometimes on weekends) in order to allow local people easy access to Project staff and information. The CROs record comments received from visitors and the nature of queries and responses made each week.

**Local Advisory Groups**

Oyu Tolgoi established Local Advisory Groups (LAG) in each of Khanbogd, Manlai, Bayan Ovoo, and Dalanzadgad soums in mid-2010. Working Groups were established as follows:

- Khanbogd: on 5/3/2010 by Resolution #8 of the Citizens’ Representative Khural;
- Manlai: on 7/3/2010 by Resolution #4 of the Citizens’ Representative Khural;
- Bayan Ovoo: on 9/3/2010 by Resolution #12 of the Citizens’ Representative Khural; and

The LAGs are designed to facilitate local engagement on important topics and issues, promote local engagement with Oyu Tolgoi, and avoid "consultation fatigue" of local people. Each group includes a combination of some or all of the following:

- Soum Governor or someone chosen by the administrator to represent them;
- Person/s from the Citizen’s Representative Khural;
- Representatives of key social services (e.g. Director of School, Hospital, Labour & Welfare Office, Fuel Cooperative);
- Representative from the private sector/business; and
- Member/s of the community.

Community Relations Officers in the soums coordinate meetings of the advisory groups. Oyu Tolgoi provides transportation and other support to group members as required. The groups are scheduled to meet at least six monthly, and more often if circumstances require it. So far the advisory groups have convened one formal meeting in each soum.
Khanbogd on 30/3/2010 attended by 7 men and 3 women;
Manlai on 30/3/2010 attended by 7 men and 3 women;
Bayan Ovoo on 31/3/2010 attended by 8 men and 4 women; and
Dalanzadgad on 29/3/2010 attended by 8 men and 6 women.

These are the only meetings held to date because extensive other consultation forums including the Compensation Working Group, bagh meetings, Open Days and various other meetings and workshops have occurred during 2011. There has also been extensive consultation by Oyu Tolgoi with communities to implement a range of programmes including the Local Business & Economic Development, Participatory Environmental Monitoring, Sustainable Pastureland Management, and Community Health, Safety & Security programmes. It is intended that the LAGs will begin more regular meetings in Q3 2012, once a number of these programmes are further underway, and as Oyu Tolgoi and communities progress towards finalizing Cooperation Agreements.

Compensation Working Group

Oyu Tolgoi established a Compensation Working Group with affected herder household representatives, as well as bagh Governors in 2011, to negotiate economic displacement impacts and associated compensation and livelihood support measures. The working group was officially sanctioned by the Governor of Khanbogd, through Resolution 59, dated 14 April 2011. The working group has a total of 9 members, plus two regular attendees from Oyu Tolgoi, who include:

• Deputy soum Governor;
• 3 Khanbogd soum Government Representatives;
• 5 Affected Herder Representatives;
• Oyu Tolgoi Community Relations Supervisor; and
• Oyu Tolgoi Community Relations Officer, Khanbogd.

The members were agreed between the Governor of Khanbogd and herder households. The following formal meetings have been held to date:

• 24th March 2011 – 10 members attended;
• 5th May 2011 – 9 members attended;
• 25th May 2011 – 8 members attended;
• 28th May 2011 – 9 members attended;
• 21st September 2011 – 9 members attended;
• 17th October 2011 – 11 members attended;
• 27th December 2011 – 7 members attended
• 28th February 2012 – 10 members attended; and
• 11th April 2012 – 10 members attended + 17 communities members

Minutes are taken from each meeting and have to be approved through the signatures of all members in attendance. Any actions undertaken are reported back to members at the next meeting (see also Chapter A6: Community Consultation for details on past consultation).

As compensation and livelihood support packages are disbursed and implemented with affected households, the working group will facilitate this process. The group is also available to mediate any disputes related to eligibility and entitlements or implementation that may arise. Future meetings will be held as required to implement the livelihood support programmes, and/or when either Oyu Tolgoi or a member requests it.

The Compensation Working Group is also being used as an initial forum to discuss issues related to vulnerable people within the directly affected herder group, and develop a framework of support for these people. Individual household level consultation will also be conducted with vulnerable families/people to
develop specific support measures. Further information on vulnerable people within the affected herder group is provided in Chapter D15: Resettlement Action Plan.

**Other Local Working Groups or Committees**

Oyu Tolgoi has facilitated development of a number of other purpose specific working groups or committees to address particular issues that arise about the Project. Committees/groups operating by mid-2011 included:

- Cultural Heritage (CH) Advisory Group;
- Community Health, Safety and Security (CHSS) Advisory Group;
- Participatory Environmental Monitoring (PEM) Group;
- Pastureland Users Group (PUG) under the Pasture Management Programme; and
- Intention to develop a Community Based Water Working Group (Q4 2012).

A Mediation Committee (or similar) is scheduled to be established in late 2011, by Oyu Tolgoi and the Khanbogd soum to resolve potential future conflicts related to the Project, as part of the community grievance process.

**14.12.3 External Affairs Department**

As shown in Figure 14.3, the External Affairs Department is responsible for broader stakeholder engagement, in particular engagement with national Government and Non-Government Organisations and individuals. The External Affairs Department works closely with the Regional Development & Communications Department. The Government and Stakeholder Engagement Manager is responsible for overall coordination of all levels of stakeholder engagement for the Company, and facilitates interaction between the different Relationship Managers within Oyu Tolgoi. The Government and Stakeholder Engagement Manager is responsible for implementing all non-Government national level engagement related to this plan, and for national and regional government relations.

**14.12.4 Other Relevant Departments**

Other key departments that interact regularly with community and government coordinate consultation with these departments including the Environmental and Human Resources Departments.

**14.13 COMMUNITY GRIEVANCE MECHANISM**

**14.13.1 Summary of Complaints History and Process**

A community grievance mechanism, by means of the Community Diary system, designed to record all community interactions and comments, whether positive or otherwise, has been in place for several years at Oyu Tolgoi for use by affected herders and other local people. This was implemented through local branch offices in soum centres and the team of Community Relations Officers. Under this system, complaints could be filed verbally or in writing at the Branch Offices or to any community relations staff. Complaints were formally recorded and tracked in the stakeholder management system (OASIS).

In March 2011, Oyu Tolgoi implemented a comprehensive Community Grievance Procedure for the Project. A summary of the procedure is provided below. The full procedure is maintained by the CSP team. This procedure represents the formal complaints management process that is now in place for the Project. The procedure is being tested and refined with communities, and will be implemented for the remainder of the construction phase and into operations.

Complaints are still recorded by the CSP team and entered into the stakeholder management system (OASIS) using the formal procedure. The CSP Manager is responsible for completing an Oyu Tolgoi corrective action form and involving relevant Departments to resolve the issue. The CSP team liaises with the complainant to ensure the issue is resolved to their satisfaction. All aspects of the complaints process are documented and recorded.

A complaints report is prepared monthly through OASIS and is distributed and discussed with senior management. A description of the number of complaints received to date and their status is available from the CSP team. *Table 14.11* provides a summary of the community complaints received and
resolved, as well as the average resolution time and satisfaction of complainants, for the period 1-31 December 2011, as well as the Project to date.

**Table 14.11: Summary of Community Complaints, Oyu Tolgoi Project (to 31 Dec 2011)**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Period (Dec 2011)</th>
<th>Project to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new cases</td>
<td>0</td>
<td>86</td>
</tr>
<tr>
<td>Open at start of period</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Closed during period</td>
<td>1</td>
<td>75</td>
</tr>
<tr>
<td>Open at end of period</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Average resolution time (days)</td>
<td>-</td>
<td>39</td>
</tr>
<tr>
<td>Satisfaction towards process (%)</td>
<td>100</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: Oyu Tolgoi “OASIS” Database, 31 December 2011.

As shown in Table 14.12 most common complaints relate to environmental issues (dust, water, general), displacement/compensation\(^{22}\), and employment (or perceived lack of job opportunities).

**Table 14.12: Summary of Types of Complaints Received, Project to date (to 31 Dec 2011)**

<table>
<thead>
<tr>
<th>Complaint Type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Displacement/compensation</td>
<td>23%</td>
</tr>
<tr>
<td>Environment (dust, water, general)</td>
<td>31%</td>
</tr>
<tr>
<td>Land (disturbance)</td>
<td>7%</td>
</tr>
<tr>
<td>Employment/recruitment</td>
<td>16%</td>
</tr>
<tr>
<td>Staff/contractor misconduct</td>
<td>3%</td>
</tr>
<tr>
<td>Health</td>
<td>3%</td>
</tr>
<tr>
<td>In-migration</td>
<td>3%</td>
</tr>
<tr>
<td>Cultural heritage</td>
<td>1%</td>
</tr>
<tr>
<td>Other (e.g. community development, procurement, education etc)</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Oyu Tolgoi “OASIS” Database, 31 December 2011.

A summary of resettlement and compensation-related grievances is provided in Chapter D15: Resettlement Action Plan, Section 15.8.4.

To ensure that community grievances are adequately managed and resolved, Oyu Tolgoi has designated a person to be responsible, the Community Relations Superintendent, for the Community Grievance Procedure, including coordinating the receipt of and response to all complaints/grievances. Relevant Oyu Tolgoi Managers actively participate in and are responsible for helping to resolve complaints that relate to their technical areas, e.g. environment, engineering, construction etc. All contractors and relevant suppliers are required to follow and implement the Community Grievance Procedure.

Oyu Tolgoi has disclosed and explained the Community Grievance Procedure in a simple and accessible format to local communities and other relevant stakeholders. A leaflet containing the 1-page grievance form and process flowchart was provided to local communities during the Open Days held in each of the target soums in March 2011 (see Annex D). The procedure has also been explained to local people at the quarterly bagh meetings in each of the affected soums, through the Compensation Working Group, and at other public meetings. The community grievance procedure leaflet is also posted on the notice board outside the Oyu Tolgoi branch offices in Khanbogd, Dalanzadgad, Manlai and Bayan Ovoo soums.

\(^{22}\) A detailed summary of displacement and compensation related complaints is provided in Chapter D15.
All employees and contractors will be trained to direct people with complaints/grievances to the designated person or, in their absence, to another member of the CSP team.

14.13.2 Community Grievance Procedure

A summary of the procedure is provided as follows, and a copy of the Community Grievance Form and procedure flowchart are provided in Annexes D and E

Grievance Classification

As part of the community grievance process, grievances are required to be categorized, so that the type of complaint being reported can be readily identified. Complainants/Aggrieved Persons or Oyu Tolgoi may complete the classification of grievances. These categories are:

- Culturally significant, religious or heritage sites;
- Resettlement/economic displacement;
- Human Rights;
- Recruitment procedures;
- Staff/contractor/supplier behaviour;
- Environmental;
- Community health and safety;
- Donation-related;
- Security personnel;
- Multiple complaints; and
- Other.

Each category of grievance has been further categorised to facilitate easier identification of the grievance, and their explanations are presented in detail in the full procedure. Grievance categories shall be recorded on the Community Grievance Form (Annex D) and in the OASIS database.

Procedure Overview

As a general policy, Oyu Tolgoi shall work actively to prevent grievances through implementation of impact mitigation measures and community relations activities that enable it to anticipate and address potential issues before they become grievances.

When public grievances are reported, the Community Grievance Procedure shall be invoked to ensure containment and resolution of grievances. Oyu Tolgoi welcomes and encourages feedback from the community, recognising the value of having incidents reported to help prevent additional grievances or a major event.

The Grievance Procedure is a six-step process which is shown in the procedure flowchart shown in Annex E. The six steps of the procedure are summarized as follows:

- **Step 1 – Receive Grievance:** A CRO/CSP staff member shall receive the grievance and forward it to the CSP Manager. The staff member receiving the grievance is responsible for documenting and recording the grievance and providing to the CRO for incorporation in the OASIS database. The type of grievance is identified per the categorisation above.

- **Step 2 - Preliminary Assessment:** An initial assessment of the grievance will be conducted by the CRO to assign the grievance level as shown in full Procedure.

- **Step 3 – Respond to Grievance:** Written communication by the CRO or CSP Manager to the Aggrieved Person to acknowledge the grievance and provide information as to expected steps and time for resolution of the grievance. This communication is to be provided within seven (7) working days of receipt of grievance.

- **Step 4 – Investigate and Resolve:** This procedure investigates the underlying cause(s) of the grievance and develops actions needed to prevent recurrence of a similar grievance. To determine the methodology and team membership to complete the investigation as shown in full
Procedure. An Incident and Corrective Action report will be completed no later than one (1) month from the start of the grievance investigation, which begins on the date the grievance was entered in the consultation database. The CSP Manager shall coordinate conflict resolution activities required to contain and resolve actual or potential conflicts. The CSP Manager, and CRO shall follow the Incident Reporting and Investigation Procedure in developing recommendations and reporting to ensure the grievance does not reoccur.

- **Step 5 – Close-out:** Following close out of the grievance by the CRO or CSP Manager shall seek sign-off from the Aggrieved Person that the grievance has been resolved. Lessons learned shall be shared.
- **Step 6 – Follow-up:** The CRO and/or CSP Manager will monitor the satisfaction of Aggrieved Person with the way that the grievance was resolved and initiate further investigation into any grievances not been signed-off by the Aggrieved Person to determine what further action may be taken.

Detailed actions required for each step are outlined in the full procedure, together with the key responsibilities for each step in the community grievance process. The grievance process and a summary of grievances will be reported to the community through the Khanbogd soum government and Citizen's Khural at regular intervals, to be determined by the Mediation Committee (see also Section 0).

14.13.3 Worker Grievance Procedure

Oyu Tolgoi is committed to enforcing a comprehensive *Anti-Discrimination and Harassment Policy* to cover the entire workforce. This policy requires that all employees are treated fairly, with dignity and respect, and have equal employment opportunities.

The system also includes a *Fair Treatment Policy*, which provides employees with an authorised process for raising concerns to senior management, covering any issues that are work related, that affect an employee or contractor, or that an employee deems unfair. Such concerns may relate (but are not limited) to the following:

- the decision of a manager;
- the behaviour of another employee, manager, or contractor; and
- the effect of a company policy.

Oyu Tolgoi will ensure that all grievances raised by workers are treated earnestly, impartially, respectfully, and confidentially. The employee grievance process is separate from the Community Grievance Procedure (above) and is further described in the *Employee Handbook* (see Chapter D17: Labour Management Plan).

In addition, anyone who becomes aware of or suspects any violations of obligations is encouraged to report the facts or their suspicions directly to senior management or through the Rio Tinto whistleblowing system, Speak-OUT.

14.14 TRAINING

All employees of Oyu Tolgoi and contractors will be required to participate in cross-cultural community relations and human rights training as part of the standard induction programme. This training is designed to help Mongolian and foreign workers on the Oyu Tolgoi Project understand and respect different cultures and points of view and operate effectively as team members, as well as and behave appropriately when they are within local communities. Specific training on stakeholder engagement and the application of the Community Grievance Procedure will be provided to Community Relations Officers and other personnel and supervisors of Oyu Tolgoi and contractors involved in or overseeing activities with local communities.

14.15 MONITORING AND REPORTING

14.15.1 OASIS/Localised Borealis System

The “OASIS” system is a localised version of Borealis software, that has been adopted by the Project to enhance efficiency of tracking community related events and the Oyu Tolgoi response to community
needs in the Project Area of Influence. The system serves as a centralised storage of information related to all community engagement activities, and it enables staff to increase access to key Project information and maintain more pro-active and effective management of relationships.

The stakeholder engagement module of OASIS covers engagement activities with stakeholders in Project area of influence, namely Khanbogd, Dalanzadgad, Manlai, and Bayan Ovoo soums. The system can also track relations with other partners such as the national government, the donor community, business entities and the civil society representatives. Currently, all staff members of the Regional Development & Communications Department at headquarters and branch offices have access to the system and have started to apply the system in their daily work. Oyu Tolgoi is investigating the use of OASIS by other Departments dealing with stakeholders as the Project progresses.

The CSP team has a dedicated person responsible for managing the OASIS system and it is updated regularly with incoming stakeholder information and tracks changes as they occur. The system software can export and import data in usual formats, and has the potential to integrate with environmental and human resources data.

14.15.2 Community Diary

Rio Tinto operations promote the use of a Community Diary system within community teams interacting regularly with local and other stakeholders. Oyu Tolgoi introduced this system in 2008.

Community Relations Officers and other relevant staff complete Community Diaries for all community engagement activities (usually weekly). Diary form information is then entered into OASIS. The Community Diary form is shown in Annex A.

This creates a record of engagements for institutional knowledge and reference if misunderstandings or disputes arise in the future. All staff and contractors will be trained to contact Community Relations Officers if they think a certain situation or interaction warrants recording in a Community Diary.

Meeting Minutes and other Reports

Meeting minutes are to be kept for meetings and other engagement activities held with stakeholders. Consultation reports are also to be prepared by relevant Departments when an external consultation is conducted and these records and results are to be entered into OASIS.

The monitoring measures that are to be implemented for community engagement to ensure compliance with the Project Standards are described in Table 14.13 below. Other teams maintain monitoring measures for engagement with other stakeholders, such as Government, non-Government and the national public. In the event that any monitoring results identify non-conformances of any Project Standards, these will be investigated and corrective actions identified (see the SEMS Framework Document for further details).
### Table 14.13: Monitoring Measures – Community Engagement

<table>
<thead>
<tr>
<th>ID</th>
<th>Topic/Aspects</th>
<th>Methods</th>
<th>Responsible Parties</th>
<th>Periodicity</th>
<th>Location</th>
</tr>
</thead>
</table>
| SEP01| Community grievances              | **Oyu Tolgoi will review Community Grievance Log/Database, including complaints *closed* and those *unresolved* per period (at a minimum monthly but more likely as they occur) to include:**  
  - Number of outstanding grievances and evolution since Project start (graphic presentation)  
  - Number of outstanding grievances opened in the month  
  - Number of grievances opened in the month and evolution since Project start (graphic presentation)  
  - Number of grievances closed in the month  
  - Type of grievance  
  The CSP team will provide regular reporting back to the community on the treatment of community grievances (including the type of grievance, how they have been addressed and the outcomes arising. A bi-annual audit will be conducted of the Grievance Mechanism.  
  The Mediation Committee, established in Khanbogd *soum* will be used to facilitate the implementation and monitoring of the community Grievance Mechanism. | Oyu Tolgoi CSP                | Monthly                   | Khanbogd *soum* (other *soums* if required) |
<p>| SEP02| Visitors to Oyu Tolgoi branch offices | Community Relations Officers record visitors to Oyu Tolgoi offices and report in Monthly Department performance report. Include visitor numbers, type of visitor, reason for visit etc. | Oyu Tolgoi CSP                | Monthly                   | All Oyu Tolgoi offices        |
| SEP03| Community engagement activities   | Community Relations Officers record formal and informal engagement with local communities in Community Diary. Summarise in Monthly Department performance report. | Oyu Tolgoi CSP                | Quarterly                 | Consultation activities in local/regional communities |
| SEP04| Community Diary and other staff reports | The Community Relations Superintendent will review the number of Community Diaries submitted per period per staff member. Other staff reports submitted will also be monitored. | Oyu Tolgoi CSP                | Monthly                   | All Oyu Tolgoi offices        |
| SEP05| Community consultation committees/working groups | Community relations staff will submit records of interaction with Committees/Working Groups and records will be entered into Stakeholder Management System. Summarise in Monthly RDSP Department performance report. | Oyu Tolgoi CSP                | Quarterly                 | All target <em>soums</em>            |</p>
<table>
<thead>
<tr>
<th>ID</th>
<th>Topic/Aspects</th>
<th>Methods</th>
<th>Responsible Parties</th>
<th>Periodicity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEP06</td>
<td>Disclosure materials disseminated</td>
<td>Community relations staff will keep records of the types of leaflets, brochures, newsletters prepared and distributed, by location and report to the Community Relations Superintended per period.</td>
<td>Oyu Tolgoi CSP</td>
<td>Quarterly</td>
<td>All target soums</td>
</tr>
<tr>
<td>SEP07</td>
<td>Community development programmes and projects implemented in local communities</td>
<td>The Regional Development &amp; Social Performance team will develop template to obtain input from other Departments on projects/programmes being implemented with local communities. A summary of new programmes started per period will be collated.</td>
<td>Oyu Tolgoi CSP</td>
<td>Quarterly</td>
<td>Khanbogd, Dalanzadgad, Bayan Ovoo, Manlai soums</td>
</tr>
<tr>
<td>SEP08</td>
<td>Community attitudes</td>
<td>Oyu Tolgoi will conduct attitude and perception surveys to monitor community sentiment and concerns related to the Project.</td>
<td>Oyu Tolgoi CSP</td>
<td>Every two years</td>
<td>All target soums</td>
</tr>
</tbody>
</table>
| SEP09 | Feedback to local communities                          | The Regional Development & Social Performance team will monitor feedback to local communities by developing and implementing a question and answer system.  
  ▪ CROs to collate common questions/issues raised.  
  ▪ Social Performance Manager to facilitate responses from Departments.  
  ▪ Social Performance Manager to report on the implementation of the Social Management Plans including actions taken and completion status.  
  ▪ Responses documented in Info Sheet/Newsletter on regular basis and disseminated to communities. | Oyu Tolgoi CSP      | Quarterly         | All target soums          |
| SEP10 | Community relations staff                              | Monitor number of new community relations staff and staff changes per period. Report in Monthly Department performance reports.              | Oyu Tolgoi CSP      | Quarterly         | All Oyu Tolgoi offices    |
14.15.3 Key Performance Indicators

Oyu Tolgoi is committed to continue to evaluate stakeholder engagement related to the Project. Key Performance Indicators (KPIs) for community engagement are presented in Table 14.14. The Communications, Government Relations and External Affairs teams maintain separate objectives, targets and indicators with other key stakeholders.

Table 14.14: Key Performance Indicators – Community Engagement

<table>
<thead>
<tr>
<th>ID</th>
<th>KPI</th>
<th>Target</th>
<th>Monitoring Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEKPI1</td>
<td>Number of confirmed grievances by the community</td>
<td>Total number reducing year on year</td>
<td>Complaints Log/Database</td>
</tr>
<tr>
<td>SEKPI2</td>
<td>Number of confirmed grievances resolved within one month</td>
<td>Target of 90%</td>
<td>Complaints Log/Database</td>
</tr>
<tr>
<td>SEKPI3</td>
<td>Number of incidents involving local community members</td>
<td>Minimise with target of zero</td>
<td>Analysis of incident reporting records</td>
</tr>
<tr>
<td>SEKPI4</td>
<td>Reporting back to the community on implementation of the Grievance Mechanism</td>
<td>Delivery of regular reports to the community on the outcomes of the community Grievance Mechanism</td>
<td>Reporting</td>
</tr>
<tr>
<td>SEKPI5</td>
<td>Reporting back to the community on the implementation of the Social Management Plans.</td>
<td>Delivery of regular and structured reports to the community on the implementation of the social management plans.</td>
<td>Reporting</td>
</tr>
<tr>
<td>SEKPI6</td>
<td>Auditing the Grievance Mechanism to ensure that it is being implemented and grievances are being adequately addressed.</td>
<td>Bi-annual audit complete</td>
<td>Audit report.</td>
</tr>
</tbody>
</table>
## ANNEX A: OYU TOLGOI COMMUNITY DIARY

<table>
<thead>
<tr>
<th>COMMUNITY DIARY</th>
<th>REF. N.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date met:</td>
<td></td>
</tr>
<tr>
<td>Location:</td>
<td></td>
</tr>
<tr>
<td>Subject:</td>
<td></td>
</tr>
<tr>
<td>Reported by:</td>
<td></td>
</tr>
<tr>
<td>Person(s) met:</td>
<td></td>
</tr>
<tr>
<td>Contact details:</td>
<td></td>
</tr>
<tr>
<td>Details of Interaction:</td>
<td></td>
</tr>
<tr>
<td>Nature of interaction:</td>
<td></td>
</tr>
<tr>
<td>Complaint</td>
<td></td>
</tr>
<tr>
<td>What was said?</td>
<td></td>
</tr>
<tr>
<td>What was your observation:</td>
<td></td>
</tr>
<tr>
<td>Recommendation</td>
<td></td>
</tr>
<tr>
<td>Follow up actions:</td>
<td>Responsibility:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Closed Out: Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
# ANNEX B: SUMMARY OF KEY NATIONAL AND INTERNATIONAL NGOS, DONORS, OTHER AGENCIES

<table>
<thead>
<tr>
<th>Organisation Type</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental &amp; Social NGOs</strong></td>
<td>Gobi Initiative</td>
</tr>
<tr>
<td></td>
<td>Green Gold Pasture Ecosystem Management Programme</td>
</tr>
<tr>
<td></td>
<td>Habitat for Humanity</td>
</tr>
<tr>
<td></td>
<td>Initiative for People-Centred Conservation (IPECON)</td>
</tr>
<tr>
<td></td>
<td>Mongolian Foundation for Open Society</td>
</tr>
<tr>
<td></td>
<td>Mongolian Centre for Development Studies</td>
</tr>
<tr>
<td></td>
<td>Mongolian Society for Range Management</td>
</tr>
<tr>
<td></td>
<td>National English Teachers Association</td>
</tr>
<tr>
<td></td>
<td>Nomadic Nature Conservancy</td>
</tr>
<tr>
<td></td>
<td>Pact Mongolia</td>
</tr>
<tr>
<td></td>
<td>Save the Children</td>
</tr>
<tr>
<td></td>
<td>Wildlife Conservation Society</td>
</tr>
<tr>
<td></td>
<td>World Wildlife Fund (WWF)</td>
</tr>
<tr>
<td><strong>Health Organisations/NGOs</strong></td>
<td>AIDS Foundation</td>
</tr>
<tr>
<td></td>
<td>Foundation for Health Policy Promotion</td>
</tr>
<tr>
<td></td>
<td>Marie Stopes International (MSI)</td>
</tr>
<tr>
<td></td>
<td>Red Cross/Red Crescent Mongolia</td>
</tr>
<tr>
<td></td>
<td>World Growth Mongolia</td>
</tr>
<tr>
<td></td>
<td>World Health Organisation (WHO)</td>
</tr>
<tr>
<td></td>
<td>World Vision</td>
</tr>
<tr>
<td><strong>Small Business Development</strong></td>
<td>Development Solutions</td>
</tr>
<tr>
<td></td>
<td>Sirolli Foundation</td>
</tr>
<tr>
<td><strong>Human Rights Groups</strong></td>
<td>Centre for Human Rights and Development</td>
</tr>
<tr>
<td><strong>Donor Agencies/Development Banks</strong></td>
<td>AIFO (Italian Development Organisation)</td>
</tr>
<tr>
<td></td>
<td>Asia Foundation</td>
</tr>
<tr>
<td></td>
<td>Asian Development Bank (ADB)</td>
</tr>
<tr>
<td></td>
<td>Canada Fund</td>
</tr>
<tr>
<td></td>
<td>Department for International Development (UK)</td>
</tr>
<tr>
<td></td>
<td>European Bank for Reconstruction &amp; Development (EBRD)</td>
</tr>
<tr>
<td></td>
<td>Export Development Canada (EDC)</td>
</tr>
<tr>
<td></td>
<td>German Technical Cooperation (GTZ)</td>
</tr>
<tr>
<td></td>
<td>International Finance Corporation (IFC)</td>
</tr>
<tr>
<td></td>
<td>Japan International Cooperation Agency (JICA)</td>
</tr>
<tr>
<td></td>
<td>Korean International Cooperation Agency (KOICA)</td>
</tr>
<tr>
<td></td>
<td>Mongolian Business and Development Agency (MBDA)</td>
</tr>
<tr>
<td></td>
<td>Nordic Development Fund</td>
</tr>
<tr>
<td></td>
<td>Swiss Agency for Development and Cooperation</td>
</tr>
<tr>
<td></td>
<td>United States Agency for International Development (USAID)</td>
</tr>
<tr>
<td><strong>Advocacy Groups</strong></td>
<td>Mining Watch Canada</td>
</tr>
<tr>
<td></td>
<td>Oyu Tolgoi (OT) Watch</td>
</tr>
<tr>
<td></td>
<td>Responsible Mining Initiative</td>
</tr>
<tr>
<td><strong>United Nations Agency</strong></td>
<td>UNDP</td>
</tr>
<tr>
<td></td>
<td>UNESCO</td>
</tr>
<tr>
<td>Organisation Type</td>
<td>Name</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>UNFPA</td>
</tr>
<tr>
<td></td>
<td>UNICEF</td>
</tr>
</tbody>
</table>
ANNEX C: UNDAI DIVERSION COMMUNITY CONSULTATION PLAN

Oyu Tolgoi has developed a specific community consultation plan to ensure effective engagement with local communities prior to, during, and after the Undai river diversion. The plan contains the methods and recommendations for ongoing engagement with local herders living near the Undai river, as well as the wider herding community in Khanbogd soum, government authorities, and other stakeholders who may be affected by or interested in this specific component of the Project.

Oyu Tolgoi recognises that the Undai river diversion is of particular concern to local herders and the soum government, and as such is committed to implement the following activities to consult with and respond to stakeholders:

- Gather information about questions and issues raised by local people about the Undai, through records from the Community Relations Officers, public meetings, and the community diaries;
- Provide regular, collective responses to questions and concerns raised by local communities. Responses/feedback to these questions/concerns will be provided to at least monthly;
- Produce a regular publication (e.g. Info Sheets) to disclose questions and responses from Oyu Tolgoi. This will be provided directly to herders located near the Undai and will also be posted in applicable locations, e.g. Oyu Tolgoi office in Khanbogd and other public places throughout the soum;
- Have open door activities in the Oyu Tolgoi Khanbogd office. A water team member will be available to provide information on the Undai river diversion and any other water issues to the community members in person; and
- Submit weekly community feedback (provided to the CSP team) on the Undai river diversion to the Environment/Water team to ensure there is overall company awareness of the issues and concerns being raised by local people.

Information about the Undai diversion was provided to the community in 2007 and in bagh quarterly meetings in 2009 and 2010. A second more detailed phase of work began in July 2011. A schedule of work between August 2011 and May 2012 has been developed and is already being implemented. The programme of work for January to May 2012 includes the following elements:

- Obtain community feedback on Detailed Environmental Impact Assessment (DEIA);
- Conduct a community Water Strategy internal workshop;
- Develop a database/template of key messages for the Undai river, which includes facts, figures and other estimates about important issues related to mine development (and review regularly);
- Develop easy to understand illustrative materials on the diversion (3D model, animation etc) to present to local people;
- Present river diversion planning and work updates to the quarterly bagh meetings in Khanbogd soum, the Local Advisory Group (LAG), and the local Water Working Group;
- Hold meetings with Khanbogd and Dalanzadgad based environmental NGOs on the Undai river diversion scheme;
- Hold individual meetings with key stakeholders such as local elders and herders;
- Extend the PWM project to herders along the Undai river;
- Undertake PWM and other environmental water monitoring data cross checks and consultation; and
- Publish river diversion plans on in the monthly Information Sheet.

Continuity of Water Supply

Oyu Tolgoi has previously provided a commitment to local communities and herders that it will ensure the continuity of water supply (see Section 5.4.4 of Chapter C5: Water Resources).

As part of the Environmental Protection Plan, commitments were made by Oyu Tolgoi within the DEIA for mine and processing facilities to ensure that downstream water supplies were not adversely impacted
and to minimise impacts on wells or to provide alternative water supplies. Oyu Tolgoi is committed to maintaining water quality and quantity in the Undai downstream of the Mine Licence Area and will monitor the performance of the Undai diversion to ensure that water is being effectively diverted and that downstream users are not adversely impacted. This includes the re-establishment of a surface water source to replace the Bor Ovoo spring in the Undai watercourse south of the WRD; and commitment to replacing this if it does not adequately replicate the existing spring performance, or becomes impacted by the Project.

Oyu Tolgoi has undertaken a range of consultation activities related to the Undai and will continue to do so before, during and after the construction of the Undai diversion. Prior to construction, Oyu Tolgoi will continue to work with affected herders and local communities to reaffirm its commitment to the continuity of water supply and to identify any additional information it can provide or actions it can undertake to provide herders and local communities with assurance that the diversion, and Oyu Tolgoi’s adaptive management approach will ensure the continuity of river flows.
Name of complainant:  
First Last

Address:

Aimag/soum/bagh:

Contact number:

Email:

Organisation:

Position:

Check the box that most accurately describe the nature of the grievance

☐ Culturally significant, religious or heritage sites

☐ Resettlement

☐ Human rights

☐ Recruitment procedures

☐ Staff/contractor/supplier behaviour

☐ Security Personnel

☐ Environmental
Donation-related

Other (describe)

Note: if multiple complaints tick multiple boxes

In order for your grievance to be properly addressed, you must provide detailed information for each question below. You may attach additional supporting documentation if necessary.

Date of the event (or knowledge of the event):

Description of the event that led to the filing of this grievance:
I hereby certify that all information submitted on this form is true and complete to the best of my knowledge.

Signature:

Date of submission:

By receiving this grievance form completed by a community member, Oyu Tolgoi takes all subsequent actions and measures to resolve the complaint whether through its internal mechanisms, negotiation and mediation, or with the involvement of appropriate government bodies, however it does not warrant or assume any legal liability or responsibility that the course of action suggested by the complainant will necessarily be taken and enforced as described herein or expressed verbally by the complainant.

Date of receipt:

Received by: First Last

Department:
Position:
Staff ID no.:
Phone number:
Email:

Write a detailed description of the grievance and classify the grievance according the Level outlined in the Grievance Procedure.
Initial complaint classification:

- Level 1
- Level 2
- Level 3
- Violation Does Not Exist

Case No. Assigned:

Submitted to:

Department:

Position:

Name:  

First  

Last  

Department:

Position:

Staff ID no.:

Authority:

Phone number:

Email:

Date of receipt:

Confirmation of complaint classification:

- Level 1
- Level 2
- Level 3
- Violation Does Not Exist

As the investigating authority of this grievance, you must fully and promptly investigate the allegations made by the complainant. Please attach any additional documentation pursuant to the investigation and ensure that all points raised by the complainant are addressed.

Description of the response actions that have been undertaken:
Outcomes of response actions that have been taken:

Follow-up actions that must be undertaken:

I hereby certify that all information submitted on this form is true and complete to the best of my knowledge.

Signature:

Date of submission:
Community Grievance Procedure - Flow Chart

STEP 1: Engage Community Member and RECEIVE GRIEVANCE

Complete Community Grievance Form and enter into OASIS

Classify type of grievance on Form

STEP 2: PRELIMINARY ASSESSMENT

Is it Emergency?

YES

Contact HSES Department

NO

STEP 3: RESPOND TO GRIEVANCE

Respond to Aggrieved Person

STEP 4: INVESTIGATE AND RESOLVE

Assign Investigating team and conduct investigations (E.g. desk work, phone calls, visits, meetings, consultations etc)

Conduct Conflict Resolution if required

Deliver letter with official response to Aggrieved Person

STEP 5: CLOSE OUT

(If corrective action considered adequate, if not, repeat Step 4)

STEP 6: FOLLOW UP

(if Aggrieved Person dissatisfied)

File a case in CRSD files

Transfer to company archive
(MONGOLIAN)

ГЭРЭЛ ЗУУЛГА

1. ГЭРЭЛ ЗУУЛГА

2. ГЭРЭЛ ЗУУЛГА

3. ГЭРЭЛ ЗУУЛГА

4. ГЭРЭЛ ЗУУЛГА

5. ГЭРЭЛ ЗУУЛГА