



GEOTEAM

Amulsar Gold Project
Worker Accommodation Management Plan

May 2016

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Revision History

Revision	Date	Details	Prepared	Checked	Approved
1	26 Apr '16	Worker Accommodation Management Plan	Intersocial		

The Amulsar Worker Accommodation Management Plan (WAMP) is a "live" document that will be updated throughout the life of the Project as necessary to reflect the monitoring requirements particular to the current Project phase.

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- Appendix C: Summary of Impacts and Risks Pre-Mitigation and Post Mitigation - Hotels**
- Appendix D: Summary of Impacts and Risks Pre-Mitigation and Post Mitigation – Worker Camp**

Acronyms

CLC	Community Liaison Committee
CLO	Community Liaison Officer
CM	Camp Manager
COC	Code of Conduct
ComM	Commercial Manager
CS	Camp Superintendent
EBRD	European Bank for Reconstruction and Development
ECUD	Armenian Expertise Centre for Urban Development
EPFI	Equator Principles Financial Institutions
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
GHG	Greenhouse Gases
HLF	Heap Leach Facility
HSE	Health, Safety and Environment
IFC	International Finance Corporation
LCA	Local Community Assistant
LEP	Local Employment Plan
LPP	Local Procurement Plan
PEP	Project Execution Plan
PR	Performance Requirement (EBRD)
PS	Performance Standard (IFC)
PSM	Project Services Manager
RMP	Risk Management Plan

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SOP Standard Operating Procedure
WAMP Worker Accommodation Management Plan
WAS Worker Accommodations Study

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Preamble

This document is the 2016 Worker Accommodation Management Plan (WAMP) for the Amulsar Mining Project. The document contains a record of the objectives, commitments, strategy, procedures, programs and actions formulated and taken by the Project to ensure adequate worker accommodation. The document is consistent with the laws of Armenia, and the guidelines of the IFC (International Finance Corporation) and EBRD (European Bank for Reconstruction and Development) relating to worker accommodation.

The WAMP has been prepared by Lydian International Limited with support from Michael Steyn and Gregory Jacobs of Intersocial Consulting.

Proponent's Commitment

Amulsar is committed to undertaking its activities in a manner that ensures that an internationally accepted standard of accommodation is provided for its workers, specifically the IFC/EBRD Process and Standards for Management of Workers' Accommodation. Amulsar endorses the WAMP and commits to its complete, timely and effective implementation. The WAMP will be made public.

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Executive Summary

The Amulsar Mining Project (the Project) is scheduled to begin construction in mid-2016. The construction phase will require a workforce of 1,100 people in September/October 2016, increasing to a peak construction workforce of approximately 1,300 people in May 2017. A Worker Accommodations Study (WAS) was completed in April 2016, which included an assessment of potential impacts of different accommodation options on local communities.

Estimates of minimum and maximum practicably available beds within existing local hotel facilities were derived from a basic technical evaluation of each hotel facility (including an assessment of each facility's likely compliance with standards for health, safety and working conditions). Together with results of interviews with hotel and community representatives a clearer picture of available hotel capacity and possible community impacts of housing the Project's construction workforce in local hotels was gleaned. Based on the WAS, Lydian intends to adopt a hybrid model for accommodating workers during the construction phase of the Project i.e. a mixture of hotel accommodation that is locally available and appropriate and utilisation of a worker camp which needs to be constructed.

The WAMP therefore provides for the management of a hybrid model of worker camp and hotel accommodation. At the time of the preparation of the WAMP, however, a final decision on the preferred option had not yet been made. Following on from this WAMP, the Project intends to develop the Standard Operating Procedures (SOP) to operationalize the WAMP.

The WAMP consists of six Sections:

Section 1: Introduction

Section 2: Legal and Policy Framework

Section 3: Hotel and Camp Accommodations: Impact, Risk and Opportunity Assessment and Management

Section 4: Management of Worker Accommodation

Section 5: Management of Grievances

Section 6: Monitoring and Reporting.

A non-technical summary, which is a separate report that provides a summary of information on the Project and the salient features of the WAMP, will be prepared to assist with public disclosure of the WAMP.

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1 INTRODUCTION

1.1 SCOPE AND PURPOSE OF THIS DOCUMENT

The WAMP has been developed taking the WAS and ESIA (Environmental and Social Impact Assessment) into account. Lydian intends to adopt a hybrid model for accommodating workers during the construction phase of the Project i.e. a mixture of a worker camp to be constructed as well as utilisation of hotel accommodation that is locally available and appropriate. The purpose of the WAMP is to operationalise the recommendations of the WAS adopted by Lydian. The WAMP uses the working principle of maximum range which provides for a maximum range (range of maximum limit) for accommodation with some mitigations to address the impacts of housing the workers in the community. The working principle treats all other parameters (seismic, logistical, financial and scheduling) as if they do not affect the range of workers that can socially be housed in the communities' hotels; these parameters only adjust the worker numbers within the range. The WAMP thus assumes the parameter that indicates the maximum number of hotel accommodated workers that can be housed in the community without adverse or unmitigatable effects.

The decision for the recommended option of worker accommodation i.e. a hybrid model is based on the data contained in the WAS and ESIA. With respect to potential local hotels, further technical evaluations are being conducted for due diligence purposes to determine, amongst other things, the seismic capacity of select structures, and if unacceptable, those structures will not be considered further as accommodation options. These technical evaluations will also include a consideration of financial and logistical parameters.

The structural evaluations are only for Pre-1994 buildings (not all hotels) and these can be done on an as required basis. If no older hotels will be used then structural analysis does not need to be done. Where hotels are used they will be brought completely up to Project standards.

The WAMP is a management plan that applies to the life cycle of the Project and assumes that the hybrid model will apply across all phases of the Project's life¹. It sets out the mitigation and management measures required during the construction, operation and mine closure phases of the Project to address health, safety, environmental and social risks related to worker accommodation.

1.2 AMULSAR PROJECT DESCRIPTION

Lydian International Limited (Lydian) is developing the Amulsar Gold Project located in south-central Armenia. This deposit was discovered by the company in 2006 and is 100 percent owned by Lydian through their wholly owned subsidiary Lydian Resources Armenia (Lydian Armenia) which in turn owns Geoteam CJSC (Geoteam). Geoteam owns 100 percent of the current site related prospecting and mining permissions associated with the

¹ Risks identified during the WAS research were for the initial two year start up and construction period. Iterative review of the WAMP with its associated risk assessment will reflect impacts with a broader mine life perspective.

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Project. The Project has advanced continuously since 2006 including a recent feasibility study and Value Engineering and Optimization Study. Lydian is currently preparing final requirements to begin full construction of the Amulsar Project.

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1.2.1 Biophysical Profile

The Project is located in central south-east Armenia approximately 170km from Yerevan (Figure 1) in an area commonly known as the Caucasus. The Project footprint is bounded by the coordinates: 39.7824° North, 45.6108° East and 39.7210° North, 45.7416° East (Figure 2).

The wider area is characterised by mountains, undulating hills, river valleys and gently inclined plateaux at lower elevations. Surface water run-off from the slopes of the Project-affected area contributes to the catchments of the Arpa, Darb and Vorotan rivers. The Vorotan River flows to the east of the Project and the Darb River flows to the south of the Project, and joins the Arpa River flowing west.

The gold ore deposits are located on the ridge peaks in the region of Amulsar Mountain, within the Northern Zangezur mountain chain at an altitude of 2,500 - 2,988 metres above sea level (masl).

The land within the Project-affected area is characterised by sub-alpine and mountain meadow landscape which typically supports grasslands used for summer grazing. At lower elevations agricultural use is more diverse and supports a range of crops.

Regional climate variation is pronounced, with the foothills at lower altitudes having longer and hotter summers, averaging around 25°C, and winter temperatures at an average of -5°C compared to the average of -12°C which can be recorded in the mountains. Annual rainfall is also influenced by the mountains and more rainfall is experienced at higher elevations; an average of approximately 800mm of rainfall per year would be typical for Amulsar (elevation of up to 3000 masl). Snow cover is present on the mountain in the period November to April and can exceed a depth of 3m, depending on weather conditions.

The Project-affected area straddles Vayots Dzor Marz (the capital of which is Yeghegnadzor) and Syunik Marz (the capital of which is Kapan). The closest town to the Project is Jermuk, which is situated approximately 10 km northwest from the gold-silver ore deposit and 7 km from the closest piece of Project infrastructure (Figure 2).

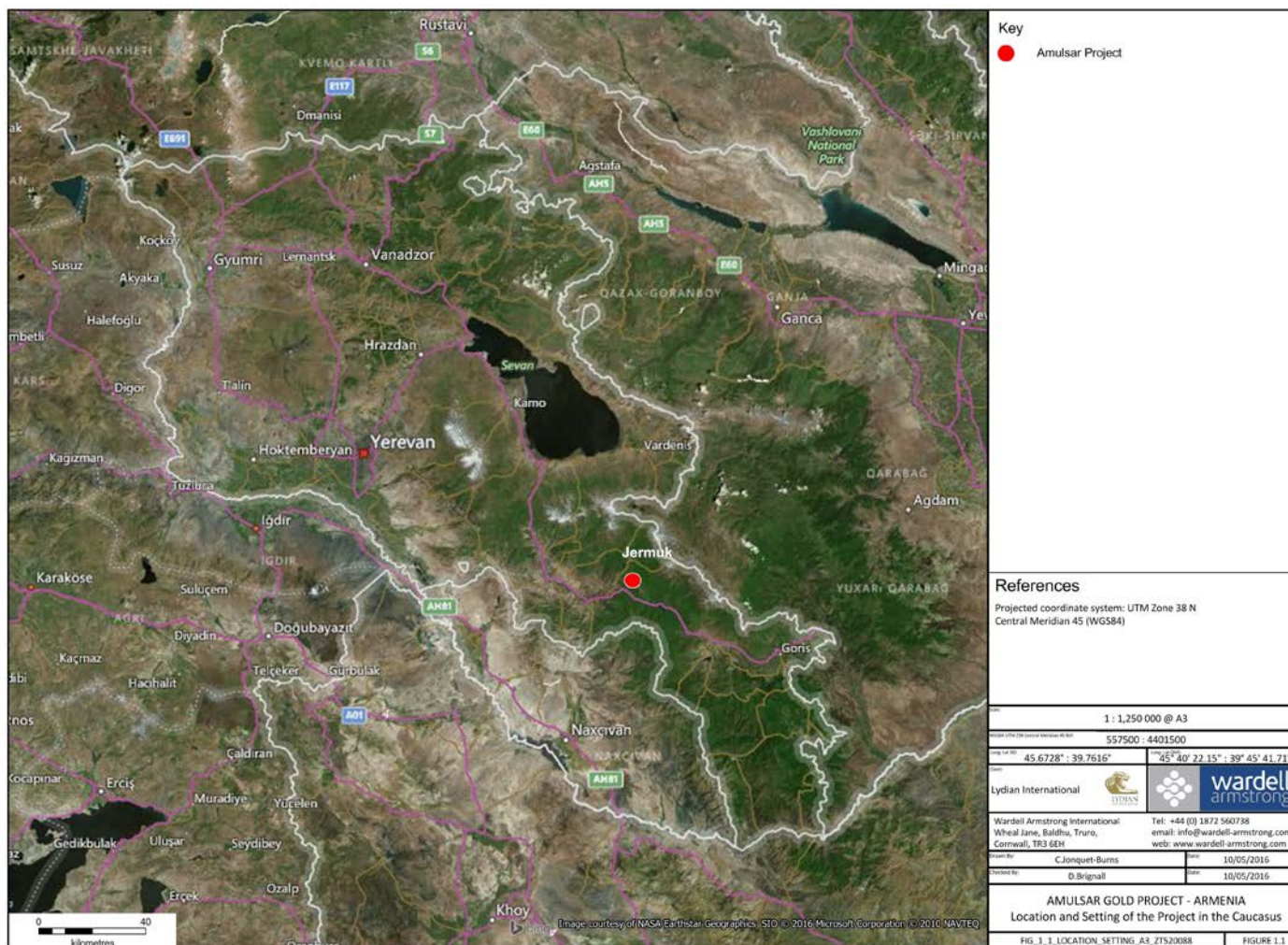


Figure 1: Location of the Project

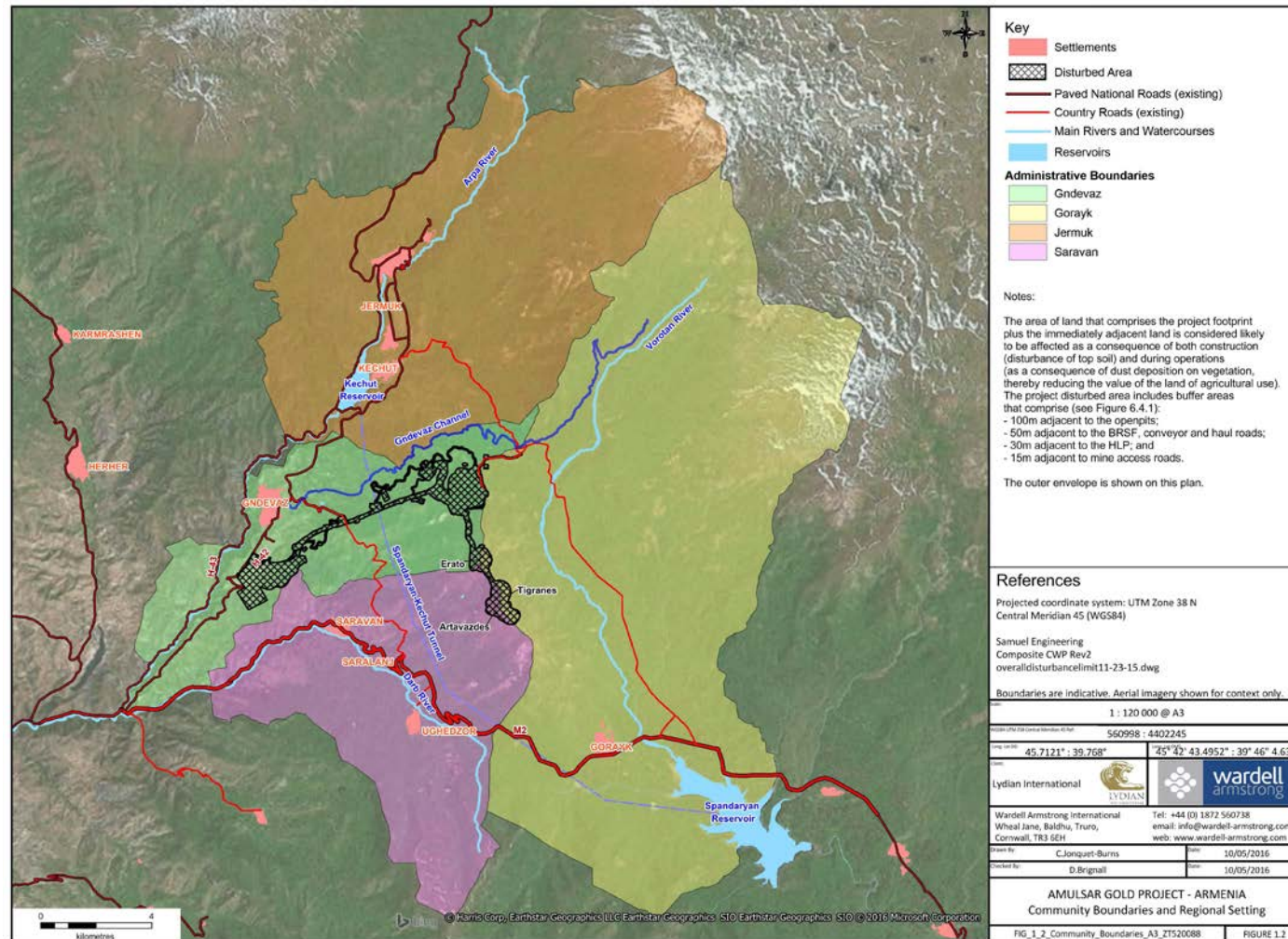


Figure 2: Regional Setting of the Project

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1.2.2 Social Profile

There are four rural communities in proximity to the Project, namely, Kechut (a rural community associated with the town of Jermuk), Saravan (including Saralanj and Ughedzor), Gndevaz in Vayots Dzor Marz and Gorayk, located in Syunik Marz. Gndevaz is the community closest to the footprint of infrastructure associated with the Project (the Heap Leach Facility (HLF) located > 1 km from the outer edge of the village. The communities of Vayk and Sisian are located approximately 30km southwest and 60km southeast of the Project site respectively.

The duration of the Project comprises two years of construction followed by a further 11 years of operation. In the event that further viable resources can be found, the life of the Project could be extended. At the present stage of the Project development, however, the ESIA has only considered the exploitation of the ore deposit that has been proven through the programme of exploration to date.

1.2.3 Project Phases

The Project consists of the following main phases:

Exploration: surface mapping, exploration drilling, and soil geochemistry, which has been used to define the geological resource to support a future mine development. Exploration at Amulsar has been ongoing since 2006. There will be continued and ongoing exploration at the site during the mine construction and operation activities to identify possible additional ore.

Construction: the infrastructure required for the operation of the mine, processing of ore and refining of precious metals will be constructed, including ancillary infrastructure such as maintenance workshops and site offices.

Operations: the production of gold and silver (as Doré) which comprises the phased mining of ore and barren rock from the open pits together with the processing of ore, and placement of barren rock in the storage facility.

Closure: post operations, which includes the reclamation of the open pits, barren rock storage facility, and the heap leach facility. Topsoil stockpiles established during construction will be used during site reclamation and closure. Infrastructure will be dismantled and disturbed areas will be restored to grasslands or other habitats similar to those currently present within the Project footprint.

1.3 WORKER ACCOMMODATIONS STUDY

Lydian commissioned detailed research into accommodation options in March 2016. Research focused on existing hotels to glean a more thorough understanding of the accommodation implications well in advance of building any workers' accommodation. The WAS did not examine a worker camp (which still needs to be constructed at the site indicated in Figure 3). The hotels investigated for the WAS are primarily 15 in Jermuk with 4 additional hotels in the Arpa Valley, 5 in Sisian and 3 in Vayk. It should be noted that in the WAS the impact assessment area is referenced as Jermuk as it was determined that the hotels in Vayk and Sisian are considered logistically unfeasible due to distance from the Project site.

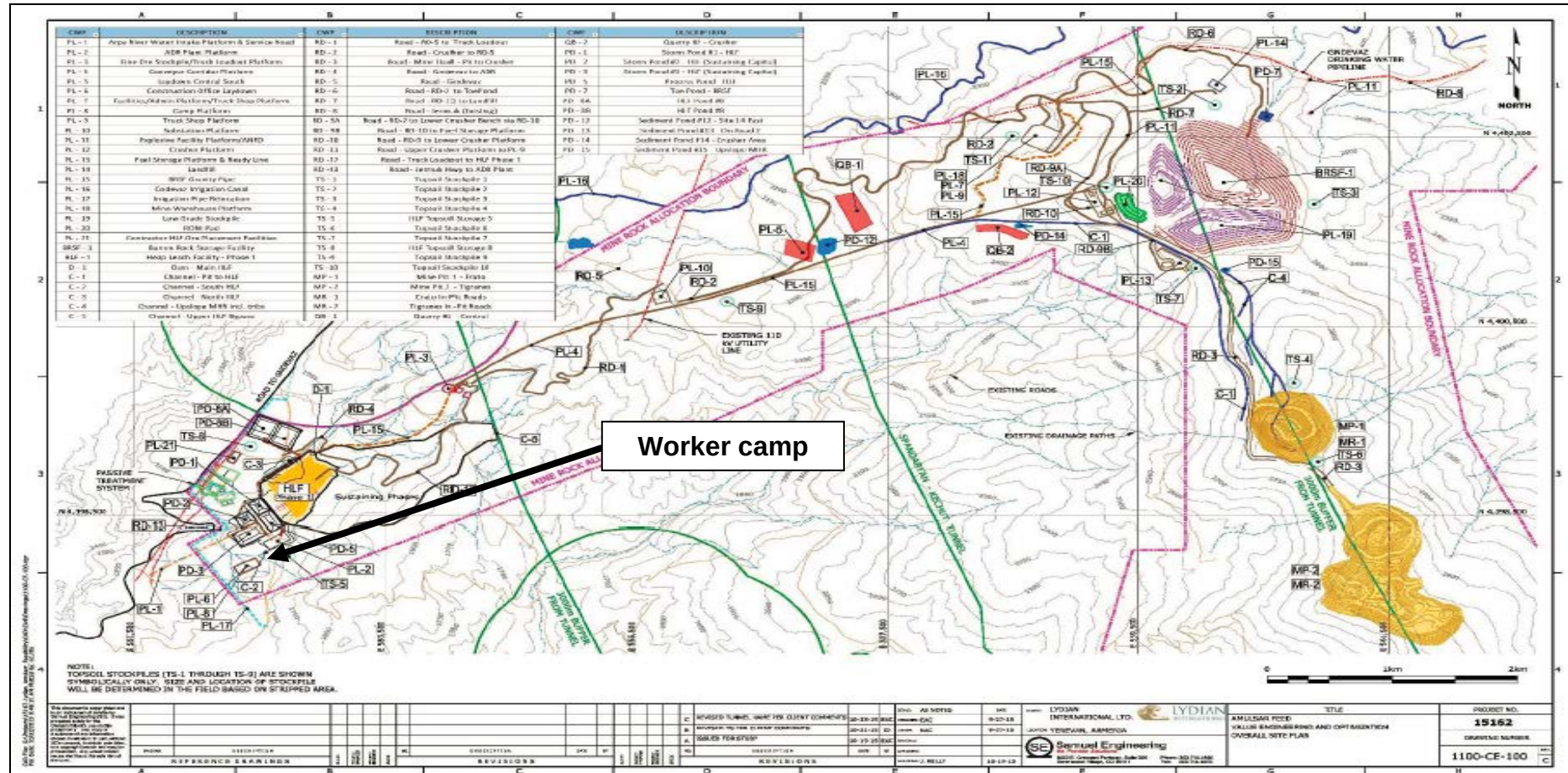


Figure 3: Location of the Worker Camp

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1.3.1 Worker Accommodations Study Objective

The objective of the WAS was to:

- determine the viability of utilizing existing hotel accommodations in Jermuk and the surrounding area (the study area) for the housing of workers during the construction phase of the Project
- evaluate the impact of accommodation in Jermuk and nearby communities on tourism, particularly on the town of Jermuk.

To accomplish this the study was completed in three primary phases consisting of seven sub-phases. These are detailed in the study itself. The three general primary phases are described as preparation and mobilization, field based investigation, and analysis. The components of each phase are:

- accommodation identification and research
- definition of major criteria
- team engagement
- generation of detailed investigation criteria
- field investigations
- initial data review and risk assessment
- detailed analysis and report generation.

The WAS took into account IFC/EBRD guidance which sets out a useful framework for assessing worker accommodation. This has been used extensively with the internal impact assessment to develop the Project's operational processes and procedures for managing worker accommodation.

The WAS was designed and executed with the intention of assessing the available facilities' ability to meet both Armenian standards and IFC/EBRD guidelines.

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Figure 4: Summary of the Worker Accommodations Study Phases of Investigation



Steps in the IFC/IBRD stylised process include:

1. Assess the general regulatory framework to ensure that international/national/local regulatory frameworks have been taken into account been reviewed. Mandatory provisions on workers' accommodation should be identified.
2. Assess the need for workers' accommodation by investigating workers' availability in the neighbouring communities. The research should include an assessment of the skills and competencies of the local workforce and how those skills and competencies fit the Project's needs. This is typically captured in the Local Employment Plan (LEP) and Local Procurement Plan (LPP) which include a capacity building and training assessment.

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3. Assess the availability of housing by investigating the different type of housing available in the surrounding communities well in advance of building any workers' accommodation. The research should be referred to in the ESIA and include an assessment of the impact on the communities of using existing housing opportunities. Measures to mitigate adverse impacts on the local housing market need to be identified and included in a relevant action plan.
4. Assess the impacts of workers' accommodation on communities which is usually done in the ESIA and includes measures to mitigate the negative impacts of the workers' accommodation on the surrounding communities and to enhance the positive ones. The potential health and safety impacts and consequences of land acquisition and involuntary resettlement occurring during the construction phase of the workers' accommodation should be included. Similarly, the impacts of workers' accommodation on community infrastructures, services and facilities, impacts on local community's businesses and local employment, general impacts of workers' accommodation on communities' health, (notably the increased risk of road accidents and of communicable diseases), and community social cohesion and appropriate mitigation measures to address any adverse impacts identified must be included.
5. Assess the types of workers' accommodation that need to be catered for. These may include the provision of family accommodation (individual accommodations comprising bedrooms, sanitary and cooking facilities provided as part of the family accommodation), adequate nursery/school facilities provision. Care should be taken to ensure adequate safety for children.

The purpose of the WAS was to investigate at a non-commercial level (non-cost based analysis) the feasibility of housing this workforce in existing hotel accommodations surrounding the Project location. The results of this study are estimates of minimum and maximum practicably available beds within existing facilities. These estimates are derived from a basic technical evaluation of each property as well as socio-economic focused interviews with hotel and community representatives. Further work is required to secure the services of the facilities discussed in this study.

1.3.2 Results

The region surrounding the Project, particularly Jermuk, is a important tourism destination. It is known as a health-spa destination with a substantial number of hotel accommodations within the area. The WAS considered the infrastructure of 27 lodging facilities with some 2,410 total beds which are either in service or under construction. This total was reduced to a maximum of 561 low season (Winter) and 397 high season (Summer) beds which could be described as having a reasonable chance at being made available to the project. The reduction from total beds surround was based on three primary criteria:

1. Accommodation construction, renovation and remediation schedules.
 - Reduction of 793 beds (Hotel U, Hotel T, Hotel K, Hotel Y²) were excluded from further consideration because it is not anticipated that required or ongoing works could be completed to meet Project schedule requirements.
 - Overall reduction from 2,410 to 1,617

² The names of hotels have been withheld to ensure data confidentiality.

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2. Logistical considerations.

- It was determined that no rooms in the communities of Vayk or Sisian would be used by the project.
- Further reduction from 1,617 to 1,306

3. An estimate of how many beds each hotel may actually make available to the Project.

- The majority of hotel representatives interviewed expressed reluctance to overly commit rooms to the project.
- Final reduction from 1,306 total potential beds to 561 in the low season and 397 in the high season.

These availability numbers are estimates and could vary by ± 15 percent depending on actual hotel response. Note that the two options presented are described as only utilizing 370 beds, regardless of season; this is a function of the number of beds available at two critical hotels and the remaining beds available in Jermuk during the high season.

A primary large scale hazard in Armenia is seismic risk, as in other countries the relevant seismic design criteria in Armenia has evolved with time. To assist with the structural evaluation and infrastructure inspection of the facilities in this study the Armenian Expertise Center for Urban Development (ECUD) was retained. This group was tasked with ensuring that each facility was compliant with national legislation. All of the facilities inspected by the ECUD are considered to be in satisfactory technical condition and suitable for normal operation based on the relevant visual inspection national standard and methodology³. This was both a visual inspection focused on identifying major defects and a technical assessment that included structural measurements.

It has been recommended that each individual facility undergo a more detailed analysis and required remediation analysis prior to occupancy (these are not deemed to preclude their consideration at this time).

Due to the seismic risk in the Project area, it is recommended that all facilities constructed before 1994 have detailed structural analysis completed by the ECUD, or equivalent organization, prior to long term occupancy. The ECUD's contribution to the WAS is in the form of a high level facility condition report; a detailed report provides the next level of confidence and due diligence and should be performed as required, if and when hotels built prior to 1994 are considered for use. The purpose of conducting a detailed analysis is to provide confidence that the structure meets or exceeds Armenian national requirements. The current study utilized the basic inspection by the ECUD in an attempt to filter any facilities with obvious structural deficiencies.

The results above and seismic design classification of each building are illustrated the WAS and the decision tree included in the WAS as an Appendix.

1.3.3 Conclusions

Based on the WAS, Lydian intends to adopt a hybrid model for accommodating workers during the construction phase of the Project i.e. a mixture of hotel accommodation that is

³ RA ShN II-6.02-2006 and Survey Method Statement

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locally available and appropriate and utilisation of a worker camp which needs to be constructed. Lydian will hire as many local staff as possible and a planned 4x12 shift schedule for non administrative staff will reduce the need for additional local accommodation. The number of available beds will vary substantially depending on the level of tolerance opted for as well as between high and low seasons (

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Table 1). It is not deemed practical at this time to consider trying to use every hotel. As already noted in this plan, Sisian and Vayk have been excluded from consideration. The primary challenge in attempting to do so would be the schedule and logistical issues associated with completing detailed analysis and remediation for each hotel. The return for this effort is also diminished in that it is estimated that a minimum 400 person camp would still be required at peak accommodation demand.

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Table 1: Low and High Season Variability in Bed Numbers According to Two Levels of Tolerance

Tolerance	Low season	High season
Acceptable to utilize structures which meet design criteria at the time of construction.	561	397
Acceptable modern, post 1994 design and construction.	168	120

The WAS concluded that it is not feasible to house the entire Project workforce without the aid of a Project camp facility housing between 400 and 920⁴ people. At the time of writing, an initial scoping and design criteria for the camp sizes were being evaluated. Preliminary work included:

- Preliminary layouts within the site footprint.
- Discussions with Project contractors regarding camp expectations.
- Preliminary discussions with potential suppliers.

At this time it appears the construction of a camp for between 500 and 920 people is feasible and work will continue.

The WAS presents two options⁵ for accommodating the Amulsar Project workforce during construction. The minimum camp requirements for workforce have been calculated for the two options for the period May 2016 until January 2018 (Table 2). These will be revised when the preferred option is selected. The WAS indicates that that combinations of the scenarios could also be viable. It is possible to add or remove hotel capacity as commercial terms and detailed health, safety and technical evaluations are completed. The result is that camp size will change.

⁴ The camp size may vary between 500 and 920 people. The operational arrangements for the WAMP will adjust to reflect the ratio between camp number: hotel number.

⁵ The WAS mentions a scenario which moots the use of all available existing hotel accommodations in Jermuk, Sisian, Arpa Valley and Vayk. This option is not considered reasonable as the degree of effort to coordinate, from a commercial and logistical perspective such a dispersed workforce is not considered feasible. It was not recommended but included for rigour.

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Table 2: Camp Sizes Using Hotel Availability as a Factor for Two Options

Detail	2016								2017												'18	
	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	
					Construction							Operation										
Option #1 – Upper End of Estimated Socially Acceptable Use of Hotels, 370 hotel Beds, 550 Camp Beds.																						
MCRW*	0	0	0	0	0	232	332	315	364	336	393	353	533	521	452	421	318	253	185	0	0	
Option #2 – Range of Hotel Utilization from Zero up to 370 Beds in Jermuk and Arpa Valley Resulting in Camp Size between 550 and 920 People.																						
MCRW	11	17	32	77	216	641	757	737	793	762	827	781	906	892	812	776	658	665	586	163	31	
*MCRW: Minimum Camp Requirement For Workforce All data assumes no seismic restrictions in accommodation. All data obtained from interviews with hotel management.																						

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1.3.3.1 Option #1 – Upper End of Estimated Socially Acceptable Use of Hotels, 370 hotel Beds, 550 Camp Beds.

This option represents the upper range of what is considered a practical and socially acceptable use of hotel beds. As several hotels would be required to achieve this it is left to the Amulsar Management and Executive Team to determine the exact distribution of workforce on an individual basis.

Hotel A and Hotel L represent approximately 63 percent of all available high season (57 percent low season) accommodations evaluated by this study. In real terms, these two hotels are capable of housing 28 percent of peak accommodation demand. In addition to bed counts, the support facilities of these two accommodations are seen as critical to any hotel based accommodation strategy - including the housing of workers while the required camp facilities are erected.

Securing the services of these two hotels could provide the opportunity to centralize facilities such as recreation and food preparation however both facilities require improvements. Hotel A is currently expanding and renovating its kitchen while the Hotel L has only expressed interest in making available a maximum of 160 beds, all of which are in rooms requiring cosmetic (non-structural) renovation including renovations to bathrooms and plumbing. To complete both of these upgrades will likely require Project resources.

Under this option, the maximum camp size is a 550 person camp size with more than 300 camp beds will be required by October 2016. The minimum 100 person camp size will be exceeded in September 2016 with an additional 65 beds commissioned each month to meet peak demand in May 2017.

Assumptions

- No seismic restrictions on either structure.
- Commercial terms can be reached with both accommodations.
- Camp can be sourced and constructed in time to meet Project schedule requirements.
- Minor deficiencies can be mitigated/corrected on timeline required.

Table 3: Pros and Cons Associated with Option #1

Pros	Cons
Gain 50 percent of hotel beds with minimal management effort	Substantial camp size required
Gain access to major support facilities such as kitchens	Hotel A kitchen is under renovation
Hotel A rooms available quickly	Hotel L rooms need renovation
Hotel L kitchen is functional	Hotel L hosts large events (e.g. annual chess tournaments); commercial negotiations may be difficult
Both hotels are located outside of main Jermuk tourist areas	

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Limited social impact	
Reduced transportation requirements	

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1.3.3.2 Option #2 – Range of Hotel Utilization from Zero up to 370 Beds in Jermuk and Arpa Valley Resulting in Camp Size between 550 and 920 People.

This scenario provides the Project with the highest degree of flexibility and reflects the high probability that the realized number of beds retained will be between zero and the socially acceptable maximum of approximately 397 (Summer, high season availability). It is important to note that the flexibility of this scenario allows for exact placement of people to be determined as commercial, schedule and logistics discussions with hotel owners occur in parallel to the engineering and procurement of camp facilities. As details are defined the Amulsar Management and Executive Team and Management will need to determine the final distribution of people between hotel and camp facilities on a company or person by person basis.

The maximum camp size of 920 people is equal to the size of the non-local workforce which will be required and is necessary if zero hotels are utilized. If the maximum high season hotel availability of 370 beds is utilized, a 550 person camp will be required by October 2016 and the 100 person size camp will be exceeded in early September 2016.

It should be noted that this scenario also covers the use of selected hotels which will be required to facilitate initial camp construction. In this scenario Management may determine if and how many hotel beds are used for the duration of Project construction.

Assumptions

- As in Option #1.
- Camp can be sourced and constructed in time to meet Project schedule requirements.

Table 4: Pros and Cons Associated with Option #2

Pros	Cons
Highest degree of flexibility	Sourcing, cost and schedule concerns
Minimal impact on community	
Highest control of workforce	
Least seismic risk	
Least transportation requirements	

1.3.3.3 Accommodations During Manpower Ramp Up

With both options presented above it is important to note that the hotel usage quoted is the usage at peak accommodation demand (May 2017) at approximately 1,300 people and is reflective of availability at that time. To meet requirements during the initial fall 2016 manpower ramp up, however, it should be assumed that the Project will utilize between 370 and 561 estimated maximum socially acceptable hotel beds as camp construction occurs (pushing demand above 1,000 people where it remains until construction nears completion in March 2018. This need for this is driven by the Project's steep manpower ramp up applicable with either presented option.

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1.3.4 Worker Accommodations Study Recommendations

The WAS recommends to *Proceed with Option #2 for Accommodation Planning*. Proceeding with accommodation planning with the realization that final hotel utilization will be determined by upcoming logistics, commercial and planning work will allow the Amulsar executive the flexibility required to maintain current project schedule. It is expected that as negotiations and detailed Health Safety and Environment (HSE) evaluations are completed on an “as needed” basis per hotel, the number of beds shifted between hotels and a proposed camp will vary, however, the final hotel bed number will not be greater than an estimated 400-561 people (largest number used to provide for flexibility). Once the final ratio of hotel: camp bed count is determined the risk assessment will be revised to reflect the impact this distribution has on the potential risks and their mitigations which were originally evaluated assuming maximum hotel usage.

There are five action items which are critical to moving the Project's final choice of accommodations strategy forward.

Action #1 – Review ECUD Detailed Structural Analysis of Selected Hotels. Detailed analysis of the Jermuk World and Hotel A has been already commissioned proactively. The WAS and WAMP content and ESIA updates are not affected as long as planning is completed within the parameters of Option #2.

Action #2– Proceed with Engineering and Commercial Evaluation of Camp Accommodations. Work on camp concepts and logistics has been initiated and should continue in parallel with any further hotel planning. Emphasis should be put on hotel negotiations as final camp requirements are dependent on these results.

Action # 3 – Assign Resources to Address Commercial and Outstanding Risk Assessment Mitigation. The risk assessment is a live document and should be continuously monitored and modified as details become available. The implementation of mitigation measures should also be assigned resources and progress monitored.

Action # 4 – Monitor and Manage Overall Community Impact of Camp and Hotel Accommodations. The WAMP will present current expected community impacts associated specifically with the use of a camp and hotel. Community impacts should be monitored on an ongoing basis.

Action #5 – Continue as Required with Detailed Structural Analysis of Pre-1994 Buildings. Any additional hotels constructed prior to 1994 undergo a detailed structural analysis prior to a detailed commercial and safety evaluation.

The options and recommendations presented above are based on the results of hotel owner and community representative interviews, visual evaluation of each hotel under consideration and conclusions from Armenian structural engineering specialists.

The results of a financial analysis, detailed structural analysis on the two hotels (Hotel L and Hotel A), the camp procurement and construction schedule and commercial negotiations with hotels will determine the exact final number of people in a camp versus hotel, but this number will not be outside of the socially acceptable range.

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1.4 COMMUNITY BASELINE CONDITIONS

1.4.1 Areas of Influence

The national area of influence is the entire country. The regional area of influence includes the two Marzer (provinces) straddled by the mine layout and footprint, Vayots Dzor and Syunik. The local area of influence is defined at the settlements most likely to experience changes from environmental and social impacts. The local area of influence covers “Project-affected communities”, which refers to residents in the three closest rural settlements – Gorayk, Gndevaz and Saravan (including Saralanj and Ughedzor), the town of Jermuk (including Kechut) and seasonal herders resident on Project land during summer months.

1.4.2 Environmental and Social Impact Assessment

The ESIA contains a comprehensive set of data describing the baseline conditions (Table 5) of the Project.

Table 5: Types of Baseline Data Reflected in the ESIA

Chapter	Type of Data
1	Field Work Undertaken and Sources of Information
1	Relationship with Amulsar Project
3	Buildings
3	Infrastructure
3	Services and Facilities
4	Land Access and Quality
4	Landscape and Visual Resources
6	Water Quality and Availability
6	Air Quality, Greenhouse Gases Emissions and Climate Change
6	Local Businesses
6	Local Employment; Income from Tourism; Fixed Property & Moveable Property
6	Local Government Capacity and Resources
6	Cost of Living - Inflation
6	Cultural Heritage and Practices
6	Recreation
6	Health, Safety and Security
4 & 6	Community Cohesion; Inter and Intra community Relations, Family Relations

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1.4.3 Community Development Planning

The Community Development Plan (January 2016) reflects the Project's programme per community and sector. Infrastructure projects, like those pertaining to workers' accommodation are considered in the context of project risks and the maintenance of a healthy and safe living environment for works and communities alike.

Lydian has been exploring opportunities for local partnerships for the coming years in a proactive manner. These include partnerships with local government and other development-focused organisations but also with companies where costs can be shared or contribute in-kind. These may include companies that manage facilities that provide workers' accommodation.

As a result of the 2008 adoption of the tourism development concept paper by the Government of Armenia, USAID assisted in the development of a Comprehensive Development Plan which operationalised the designation of Jermuk as a tourism centre. The USAID target of the tourism industry generating USD \$100 million was considered to be approximately 50 percent more than what is achievable in the four-year period envisaged. The Plan was reviewed by Lydian and research conducted in the field in 2013 to assess the progress achieved to date (for a detailed account see Chapter 4.17 of the ESIA, specifically Table 4.17.8). It was found that the Social Packages benefits scheme would seem to have increased occupancy but that impact had been substantially less than anticipated. Presently limitations to making a comprehensive assessment include the lack of accurate and up to date visitor numbers, occupancy rates are volatile and seasonally variable, renovations are underway in some hotels and the nature and duration of tourist visits is unclear.

1.4.4 Community Liaison and Engagement

During the WAS, field investigations were conducted over the course of five days by methodically visiting each potential accommodation by the research team who were based in Jermuk. Interviews with hotel representatives and owners/managers in Jermuk, Sisian, Vayk and the Arpa Valley, as well as with representatives from the community of Jermuk were supported by visual inspections of venues (all potential hotels were found to be of acceptable condition during the ECUD engineers visual inspection and would therefore be evaluated by the Amulsar/Intersocial/Praetorian team). In addition, interviews were conducted with key persons from the community of Jermuk (Community Liaison Community, Mayor, and representatives from Civil Society Organizations).

A set of questions intended for hotel owners/managers was a prepared in advance of the visits. Based on the level of information being provided, ad hoc follow on questions were also asked.

Each of the accommodation visits were typically conducted as follows:

1. A Geoteam representative would communicate with hotel owners and, if agreed to an acceptable time for the visit would be arranged. Typically these arrangements were made 24 hours or more in advance although several owners agreed to meet on shorter notice.
2. Upon arrival an introduction of the purpose and people involved is communicated to the hotel representatives.
3. If possible, several typical rooms are viewed by the entire team to provide a basic

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understanding of the hotels current abilities, condition and layout.

4. The team separates into two groups. One group consisting of a translator, note taker, and socio-economic consultant conduct the community impact interviews with appropriate hotel representatives while the second group consisting of a translator, Project management personnel and EUCD engineers are guided through the facility by a hotel representative to complete a visual evaluation.
5. At the completion of the visit both groups meet briefly with the hotel representatives to address outstanding questions and to formally conclude the evaluation.

Although the duration of these evaluations varied depending on accommodation size and the representatives available for interview, the average time spent at each accommodation was approximately 1.25 hours. Once each of the 27 accommodation visits were completed the team returned to the Geoteam offices in Yerevan for data analysis and the risk assessment exercise.

Lydian has established relationships with the communities of Saravan, Gorayk, Gndevaz and Jermuk through a Community Liaison Committee (CLC) which has a nominated representative group within each village and town. Lydian has selected representatives from various walks of life, including health, education, small businesses and local government. Lydian's Community Liaison Officer (CLO) and the Social Development Manager meet with the CLC's monthly in order to exchange key information, provide updates on environmental and social developments, collect feedback from them. The Geoteam local social program assistants, based in Gndevaz, Saravan and Gorayk, help organize and attend all CLC and other community meetings. All the CLCs have women representatives and strive to be a forum for free and open discussion, regardless of age, gender and background. Lydian works with the Mayors of each village and Jermuk town. Lydian is planning to hire an additional Local Assistant from Jermuk. The Local Assistants are tasked with several important functions: information dissemination (e.g. community newsletters), organizing public discussions or meetings in respective villages, visiting partner organizations and tracking Project progress, serving as data collectors during surveys.

1.5 PROFILE OF THE AMULSAR PROJECT WORKFORCE

Lydian has developed a Project Execution Plan (PEP) in January 2016. It provides useful detail on the workforce characteristics that inform this WAMP⁶. A rapid needs assessment of affected communities was conducted in 2009 (MPG Consulting). Community profiles with information on, amongst others, existing infrastructure, development needs and opportunities were compiled.

1.5.1 Workforce Profile

⁶ The PEP is a series of excerpts from the Amulsar PEP Draft Rev. L. The excerpts contained here should be considered in draft form and are for general background to some of the environmental and socio-economic issues associated with the Amulsar gold project.

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The Project presently has a database of more than 550 people who have expressed an interest in working for the Mine. The database does not include interested people from Saravan, Gorayk or Jermuk but only those who presented themselves to self-register. Lydian employed 33 people as direct employees (23 men, and 10 women), with another 59 contractors (37 men and 22 women) from the local area working for the Project in November 2104. Lydian International had a total workforce of 99 at the end of 2014; 92 in Armenia (detailed above) and 7 (6 men and 1 woman) based internationally.

In Armenia 43 percent of Lydian direct employees were women. One third of the total Lydian workforce was female in November 2015.

The MPG research conducted in 2009 indicated that 95 percent of all respondents indicated the desire to have registered employment (Figure 5: Percentage of Respondents Wishing to Secure Registered EmploymentFigure 5).

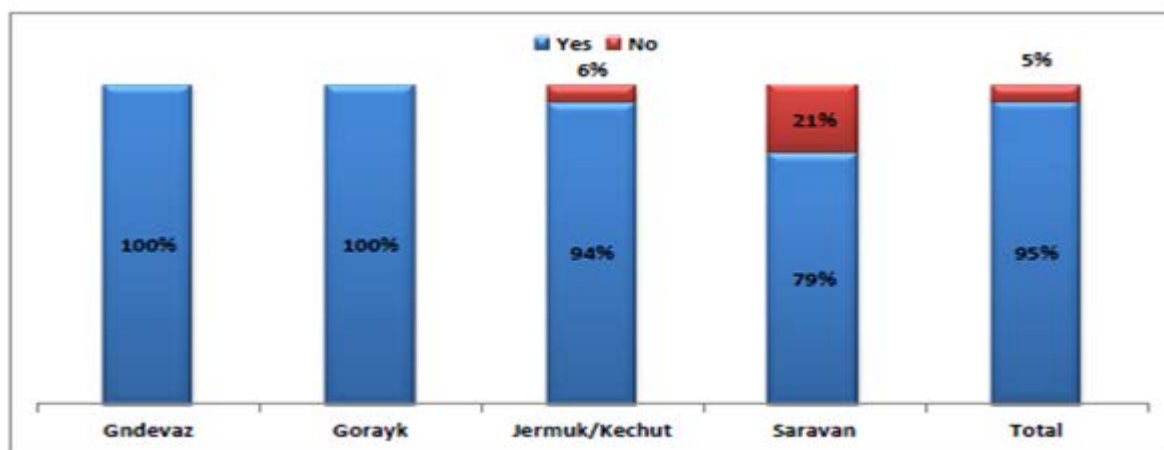


Figure 5: Percentage of Respondents Wishing to Secure Registered Employment

1.5.1.1 Nationality of the Workforce

The Amulsar workforce is expected to be mainly Armenian Nationals. A large proportion of the permanent workforce will be sourced from the local communities of Gorayk, Saravan, Gndevaz, Kechut, and Jermuk; and from other communities within a 45km radius of the Project. However, given the lack of extractive industries experience in these communities, it is expected that a significant percentage of the highly skilled workforce, i.e. engineers, geologists, metallurgists, and mechanical and electrical tradesmen with mining and processing experience, will need to be recruited from Yerevan and other regional centres of the country. Positions that cannot be filled by Armenians will be staffed with suitably qualified expatriates on fixed term contracts. It is anticipated that within 3-5 years the local workforce will have gained sufficient experience and competency to replace the majority of the expatriate job roles.

1.5.1.2 Workforce Demographics

The total workforce during operations is estimated at 657 employees. The peak workforce during construction could be as high as 1,300. Figure 6 estimates the accommodation requirements for the construction workforce.

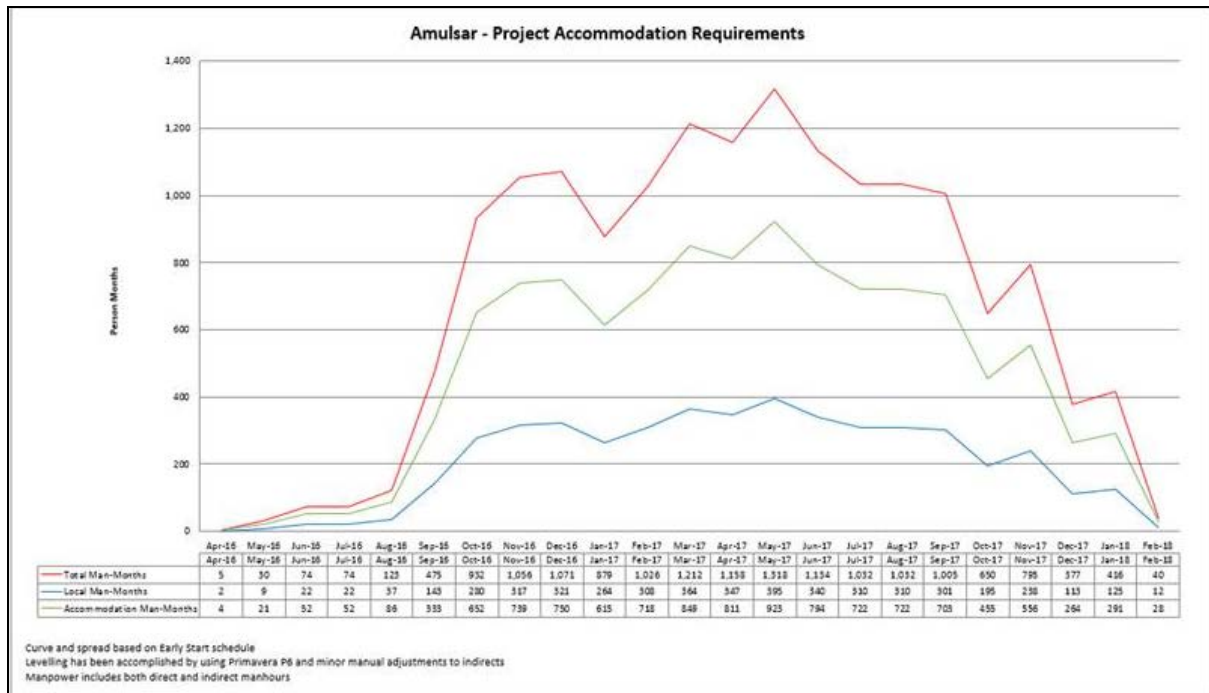


Figure 6: Estimated Accommodation Requirements for Non-Local Construction Workforce

The heavy industrial nature of the facilities will require significant expatriate supervision during construction. An international firm (or firms) will be awarded Engineering, Procurement, and Construction Management contracts to complete the design and manage Project construction. The appointed firm(s) will employ the bulk of the expatriates required for the construction of the Project. A part of their mandate will be to maximize the employment of local personnel and to utilise local sub-contractors where suitable skills exist. It is anticipated that approximately 30 percent of the construction workforce will be from the local area. To the extent that suitable accommodations are available, the non-local Armenians and expatriate construction workforce will reside in local hotels and apartments alongside Company employees, and, if agreed by Geoteam, in a temporary construction camp.

During operations, non-local Armenians and expatriate employees may reside in hotels and/or apartments in Jermuk. The bulk of the workforce during operations, approximately 85 percent, will be employed in the mining and processing departments.

Upon closure, about 20 workers will be employed in monitoring and maintenance activities of the decommissioned plant. Salaries have been benchmarked against comparable operations in Armenia.

Depending on the nature of work and the origin of the employee, the duty roster for the Amulsar Project during operations could be as indicated in

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Table 6 below. Armenian employees have a shorter roster in order to adhere to local labour legislation (maximum 48 hours in a working week).

The duration of the duty shifts set out in the duty roster has implications for the service contract that will need to be taken into account should any external accommodation (hotels) be used (e.g. disruptions and/or quiet needed for shift workers).

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Table 6: Duty Roster for Amulsar Project Employees

Employee Type	On duty	Off duty
Armenian shift worker, 12 hour shifts	4 days	4 days
Armenian day workers, 8/9 hour shifts	5 days	2 days
Expatriates	6 weeks	2 weeks

1.5.1.3 International Labour Migration

By the 1980s the practice of seasonal migration for work had spread to urban centres of Armenia, with between 30,000 to 40,000 seasonal labourers migrating, predominantly to Russia, between spring and fall each year⁷. The practice of seasonal labour migration remains common, with over 14 percent of households engaged in the activity in 2006, approximately 100,000 labour migrants per annum. By 2007, labour migrants constituted 94 percent of all migrants, with only 3 percent leaving Armenia with an intention to permanently reside abroad and 2 percent with an intention to study internationally⁸.

The overwhelming majority of Armenian labour migrants are married men between the ages of 21 and 50, with only 6.5 percent of the migration pool made up by women. The ILO estimated that this level of migration comprised 13 percent of the economically active men and just over 1 percent of economically active women in 2006¹⁷.

The decision to migrate seasonally for labour is driven primarily by the job scarcity. Opportunity to improve salaries and a greater range of job types exist further afield, often abroad. Young men from villages often leave to work abroad after completing their military service, without necessarily first seeking opportunities within Armenia. The tradition of *khopan*, refers to the practice where in some villages men have been continuously leaving to work abroad over a long period of time.

The global financial crisis of 2009 has impacted migration patterns in Armenia, with a small reduction (approximately 2 percent) of seasonal labourers from both rural and urban areas⁹.

1.5.1.4 Local Migration

Within the neighbouring villages out-migration is prevalent but of less significance than it is at a national level. Annual data collected by Geoteam suggests that local seasonal migration is dynamic (

⁷ UNDP, (2009), Migration and Human Development: Opportunities and Challenges, Armenia, 2009, www.undp.org (accessed 4th September 2012)

⁸ ILO, (2009), Migration and Development – Armenia Country Study

⁹ National Institute of Labour and Social Research, (2010), Impact of the Global Financial Crisis on Households

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Table 7) and that seasonal migration has been variable between villages during the period 2009 to 2015.

While Saravan, Jermuk and Kechut show a decrease in migration, Gorayk shows a marginal increase. Gndevaz shows high variability with a significant increase in 2014. According to a core strategy for Jermuk town developed by USAID in 2008, many former Jermuk residents have moved abroad permanently, mainly to Russia, as migrant labourers. On the other hand, a large number of Jermuk residents with relatively high educational attainment are believed to have moved to Yerevan to pursue better work opportunities.

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Table 7: Number of Seasonal Migrants in 2009, 2014 and 2015

Village	Number of seasonal migrants		
	2009	2014	2015
Gorayk	7	12	15
Gndevaz	20	71	22
Saravan	20	15	7
Jermuk and Kechut	no data	560 (2013 data)	230

Inward migration during summer months is associated with seasonal herding activities. Seasonal herders, who are predominantly residents of Vayk, Sisian, Xndzoresk and Yeghegnadzor, migrate to the Project area to graze their livestock (cattle and sheep) on the pastures and to grow hay. In 2012, 58 seasonal herders migrated to the Project area to graze cattle and grow hay. The Project has mapped the approximate locations of the camps in the ESIA.

1.5.2 Employment Profile of Potential Workforce

1.5.2.1 Employment Status

The MPG research (2009) provides data on the employment status of survey respondents (Figure 7). Formal employment is low if home-based care work (48 percent of the total employed) is excluded as formal work. Most people work as employees (38 percent) with only a small percentage (3 percent) involved in seasonal work. This data is useful as a proxy indicator of the social stability and compatibility profile of local people who may become employees of the Project.

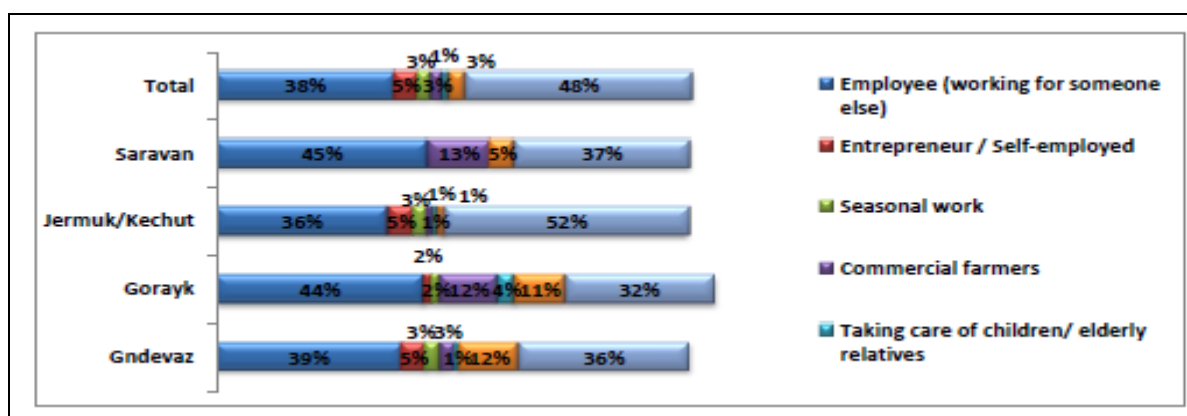


Figure 7: Employment Status of Survey Respondents in 2009

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1.5.2.2 Work Sectors

The MPG research also gives an indication of the sectors which local community members are engaged in (Table 8). The work sectors predominant in the Project area provide Lydian with information about the type of workforce, their experience and how the workers' accommodation will meet their expectations. State employees and the Education sector account for 38 percent of the employment (28 percent and 10 percent respectively). Agriculture accounts for 16 percent (non-commercial 10 percent and commercial agriculture 6 percent). Together two sectors (Public and Agriculture) account for 54 percent of the employment. The Service sector and others are less prominent ranging between 6-1 percent of employment. Significantly, sectors that may be associated with industry and mining are conspicuously small; Geoteam employees constitute 4 percent and the Construction sector another 3 percent. The data is useful since it provides a proxy indicator of the social compatibility local people who may become employees of the Project.

Table 8: Economic Sectors of Workforce by Percentage (MPG 2014)

Sector	Gndevaz	Gorayk	Jermuk/ Kechut	Saravan	TOTAL
Accounting	0	0	1	0	1
Administration	0	3	5	6	4
Commercial farming (apiculture)	3	3	0,3	11	2
Commercial farming (crops)	5	14	0,3	6	2
Commercial farming (livestock)	3	22	4	20	6
Construction	2	3	4	0	3
Driving	3	5	5	0	4
Education	10	19	8	14	10
Employee (other)	7	0	4	0	4
Employee (State)	10	5	21	23	18
Entrepreneurship	7	0	7	0	6
Geoteam	14	22	1	6	4
Jermuk Group	2	0	6	3	-
Non commercial farming (apiculture)	9	0	0	6	2
Non commercial farming (crops)	19	8	1	3	4
Non commercial farming (livestock)	28	35	3	23	10
Other	3	0	9	0	6
Seasonal Worker	2	3	5	0	4
Services	10	0	10	3	9

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Undecided	3	0	2	0	2
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1.5.2.3 Household Profile

The types of workers' accommodation that need to be catered for are informed by an understanding of the households in the Project area. The average household size in Armenia is 4 people¹⁰. Rural households are moderately larger than urban households (4.4 vs. 3.7 persons)⁸. Armenian households often comprise related family units, common in both rural and urban areas.

In Gorayk, Gndevaz and Saravan, the average household sizes are between 5 - 7 members, usually as a result of two or more related families residing within a household. Reasons for coalesced families in households centre on housing affordability, availability of labour for subsistence agriculture, culture and tradition.

Approximately 75 percent of Jermuk town households have three or more members, with 35 percent having five to seven members¹¹. This is linked to the lack of affordable housing choices for young people of marriageable age. Kechut showed greater tendency to larger households, with over 55 percent households having five to seven members.

Family life and inter-family allegiances are the cornerstones of local communities. Often family units consist of different generations, with sons bringing their wives into the family home. Mother and daughter-in-law relationships are prominent with mothers-in-law managing the household assisted by daughters and daughters in law.

Although women have an important role in the household, men are generally regarded as the head of households. High levels of migration by men searching for work have however led to a significant proportion of female-headed households (27 percent of Armenian households were headed by women in 2007)¹². Community affairs are predominantly managed by men.

1.6 WORKER ACCOMMODATION PRINCIPLES

Lydian's approach to accommodating its workforce rests on three key guiding principles:

1. Compliance with applicable Armenian legislation.
2. Compliance with applicable international standards, guidelines and best practice, in particular those of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD).
3. A commitment to minimising and managing negative impacts and risks arising from the accommodation of Project workers as these pertain to workers and affected local communities, as well as to maximising opportunities arising for local communities.

¹⁰ Armstat, (2014) Preliminary Data for 2011 Population Census www.armstat.am (in Armenian) accessed May 2 2014

¹¹ MPG, (2010), Jermuk and Kechut Baseline Study

¹² International Fund for Agricultural Development (2007). Armenia Gender Profile, viewed 13 May 2012. <http://www.ifad.org/english/gender/cen/profiles/arm.htm>

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2 LEGAL AND POLICY FRAMEWORK

2.1 ARMENIAN LEGISLATION

Stand-alone Armenian legislation dealing with workers' accommodation and its planning and management is not in place. Instead there are provisions dealing with accommodating staff in various pieces of legislation.

Armenian requirements for sanitary rules and hygienic norms are extensive. There are at least thirteen pieces of legislation dealing with hygienic norms and sanitary rules prescribed in legislation regarding the sanitary accommodations and the safe working conditions of employees. The most pertinent to worker accommodation are summarised below and the full list is detailed in Appendix 1.

1. RA Government Decree N 51-N on Approval of Technical Regulation on Safe Operation of Open Pit Mines (adopted 1 January, 2010) An action plan on performance of norms and sanitary regulation requirements for ensuring the health and safety of employees are established by sanitary rules and norms, hygienic standards, rules and other legal acts of the Republic of Armenia. Appropriate signboards, signs, posters, permitting and prohibiting warning posters should be posted. Household accommodations are regulated to include separate sections for men and women and provision of a range of sanitary facilities.
2. RA Government Decree N 1277-N on Approval of Technical Regulation on Safety Rules of Smashing, Assortment and Enrichment of Minerals (adopted 29.10.2009) - Regulates the provision of household sanitary accommodation facilities.
3. Order of the Ministry of Health N 138 on approval of the Sanitary Norms "The noise level in workplaces, residential and public buildings and residential construction areas" (dated 06.03.2002) - Defines noise, standardized parameters and maximum permissible level of the noise in workplaces, residential, public buildings residential construction areas.
4. Order of the Minister of Health N 15-N on approval of the Sanitary rules and norms of "Sanitary conditions of the employees in organizations" (dated 19.09.2012) - Regulates the provision of employees' household sanitary accommodations. The rules regulate the installation, design, construction and operation of such buildings.
5. Order of the Minister of Health N 163-N on approval of the "Hygienic norms in the working zone air and atmospheric air" (dated 16.02.2006) - Prescribes maximum levels for various toxic air pollutants.
6. Order of the Minister of Health N 533-N on approval of the "Hygienic norms of vibration in workplaces, residential and public buildings" (dated 17.05.2006) - Established the maximum permissible level of local and general vibration, as well as maximum permissible level of vibration in residential buildings, wards and rest houses and in public buildings.

The Armenian Law on EIA enacted in August 2014 as well as the Mining Code enacted in 2012, with revisions in 2014 and 2015, regulate environmental impact assessment. Armenian legislation does not make provision for internationally compliant environmental and social impact assessment. Lydian commissioned an independent ESIA to ensure alignment

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internationally. In line with the ESIA process, the WAMP is aligned with relevant Armenian legislation on mining (Mining Code, 2012) and EIA (EIA Law, 2014) and its amendments.

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2.2 INTERNATIONAL STANDARDS AND GUIDANCE

2.2.1 IFC/EBRD Guidance on Workers' Accommodation

The IFC/EBRD guidelines suggest three steps in assessing and managing worker accommodation:

1. Potential impacts should be evaluated before constructing any facilities - Impacts may include those on construction, the effect of a new housed labour force on community services like health and on community cohesion and safety. It is recommended that these form part of the ESIA. The Project was screened against applicable environmental laws, regulations and standards to determine the requirement for the ESIA which was initiated in June 2010. A subsequent scoping study was undertaken to identify the environmental and social aspects that required more detailed investigation during the ESIA. This included a worker accommodation study.
2. Consider the standards to be applied for the location, arrangement and construction of any facilities - Issues may include, but are not limited to, consideration of a safe and healthy location, application of appropriate construction standards, provision of adequate and sanitary living conditions and the provision of appropriate leisure and health facilities.
3. Once accommodation has been completed, issues around its operation and management should be considered - These include the type of staff who will manage it, development of appropriate management policies (security and grievance procedures) and ongoing liaison with local communities. All policies should be subject to regular review.

The guidance note by the IFC and the EBRD '*Workers' accommodation: processes and standards*' sets out the processes and standards that should be applied to the provision of workers' accommodation. The guideline suggests that at the initial stage of a Project there is a need to assess whether accommodation for workers is required, and if so, whether this can be provided within existing local communities or whether new facilities should be constructed. It goes further and suggests that the likely impact on local communities and the housing market of either option should be assessed.

IFC/EBRD have established criteria and benchmarks for worker accommodation and its management. These are detailed in Appendix 2. They include benchmarks for:

1. National/ local standards
2. General Living Facilities
3. Rooms/ dormitories
4. Sanitary and Toilet Facilities
5. Canteen, Cooking and Laundry
6. Nutrition and food safety
7. Medical Facilities
8. Leisure, Social and Telecommunication.

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2.2.2 IFC Performance Standards on Environmental and Social Sustainability

The IFC Performance Standards (PS) form the basis for internationally funded projects and are considered to be an international benchmark for industry best practice for environmental and social management. The IFC PS also form the basis for the Equator Principles (Version III, June 2013⁵), the internationally recognised credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions, to which 83 commercial lending banks 83 Equator Principles Financial Institutions (EPFI) are signatories from 36 countries. This accounts for over 70 percent of international Project Finance debt in emerging markets.

The IFC has developed standards for environmental and social performance, with the most recent update of these standards having taken place in 2012. Projects funded by IFC are required to comply with such standards. The most relevant of the IFC standards are PS 1: Assessment and Management of Environmental and Social Risks and Impacts and PS 2: Labour and Working Conditions.

In addition to PS1 and PS2, and the accompanying Guidance Notes from IFC, other relevant standards and guidance include the World Bank Group Environmental, Health and Safety Guidelines (general guidelines and those specific to mining), the EBRD Performance Requirement 2: Labour and Working Conditions, as well as the guidance note by IFC and EBRD, *Workers' Accommodation: Processes and Standards (2009)*.

2.2.2.1 IFC PS1

Key objectives of the IFC's PS1 include identifying and assessing social risks and impacts of projects (and establishing appropriate management systems), adopting a mitigation hierarchy whereby unavoidable risks and impacts to workers and communities are minimized (and/or compensated), and adequately engaging with communities throughout the project cycle on issues which could affect them. This requires proper disclosure and dissemination of project information.

Planning and managing worker accommodation entails an assessment of risks and impacts of the proposed worker accommodation option/s, consultation with stakeholders relating to the option/s considered and anticipated impacts, and the development of appropriate management tools (e.g. a WAMP and other related mitigation measures/management plans).

2.2.2.2 IFC PS2

Key aspects of IFC's PS2, as it pertains to worker accommodations as a component of working conditions, include the following:

- All project workers should have contracts describing the employment relationship, and containing information regarding policies and procedures on matters such as working conditions and accommodation arrangements.
- In cases where the project provides accommodation to workers, policies must be implemented regarding the quality and management of the accommodation and related services.
- Accommodation should be provided on a non-discriminatory basis.

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- The accommodation arrangements should not unduly restrict workers' freedom of movement or freedom of association.
- On projects that have a construction element and/or are in remote areas, the company or contractors are required to provide accommodation, transportation between project site/s and accommodations, and basic services such as water, sanitation, and medical services to workers involved on the project. The accommodation may take various forms, ranging from dormitories to temporary exploration camps.
- Accommodation should be provided to workers in a non-discriminatory manner and comply with national and international standards.
- Companies are required to develop plans for the establishment and maintenance of accommodation and services this must be communicated and required of contractors and accommodation providers, with conditions monitored by the company.
- A grievance mechanism should be made available to workers in the event they need to express complaints or concerns in a confidential manner and with a clear resolution process and timetable.
- Imposing charges on workers for travel, meals, and housing should be avoided.
- Companies should respect workers' freedom of movement.
- Sources of hazards to the workers' health and safety should be eliminated.

2.2.3 EBRD Performance Requirements for Environmental and Social Impact Assessment

2.2.3.1 EBRD PR2

The EBRD Performance Requirement 2 (PR2) is based on the principle of respect for workers' rights and stresses the importance of positive worker-management relationships for successful operations. PR2 highlights the need for companies to have in place human resources policies, procedures and standards which ensure compliance with relevant national and international laws and standards (such as those from the ILO), promote fair treatment and non-discrimination of workers, and promote safe and healthy working conditions. The requirements of PR2 are expected to be integrated into a project's environmental and social management system.

At a minimum, projects are required to comply with national labour and occupational health and safety laws and the principles of the ILO conventions. More specifically in relation to workers' accommodation, projects are required to comply with the following:

- Clean and safe accommodation which meets the basic needs of workers;
- Meet national legislation and good practice relating to:
 - o The practice for charging for accommodation
 - o The provision of minimum amounts of space per worker
 - o Provision of sanitary, laundry and cooking facilities
 - o Provision of potable water
 - o The location of accommodation in relation to the workplace
 - o Health, fire, safety or other hazards
 - o The provision of first aid and medical facilities

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o Heating and ventilation.

Furthermore, it is emphasized that workers' freedom of movement and freedom of association shall not be unduly restricted. A grievance mechanism must be provided for workers to raise reasonable concerns relating to working conditions, with information about the mechanism provided to workers at the time of hiring. The above provisions of PR2 apply both to company employees and to workers engaged through contractors.

Among the key elements needed to achieve compliance with IFC/EBRD are the following:

- A minimum of space allocated per worker.
- Safe water supply to meet the workers' personal water use needs.
- Adequate sewage and waste disposal systems.
- Protection against heat, cold, damp, noise, fire, and disease-carrying animals.
- Adequate sanitary and washing facilities.
- Adequate ventilation.
- Adequate cooking and storage facilities.
- Adequate natural and artificial lighting.
- Privacy between individual persons within household.
- Separate beds for workers.
- Separate accommodation for different genders.
- Adequate sanitary conveniences.
- Common dining rooms, canteens, rest and recreation rooms and health facilities.

The above items are as per ILO Workers' Housing Recommendations.

With regard to determining the need for project accommodation, the following need to be considered:

- The capacity of the local population to meet the project's workforce requirements either from its existing base or as a result of training (maximizing use of local labour would reduce the need for workers' accommodations).
- If local housing is available in the form of rental apartments, lodging with local families, hotels, or hostels, the impact on local communities and the housing market should be assessed.
- Providing on-site housing (i.e., in camps) minimizes the interactions between the project workforce and community, and reduces the pressure on existing infrastructure; this can limit the development of activities such as prostitution.
- To avoid or mitigate negative impacts, it is important to conduct a comprehensive assessment of the housing market and the likely impact of the various options for workers' accommodation.
- In cases where existing local facilities are used, potential mitigation measures for adverse impacts must be assessed in the ESIA, and procedures to monitor this must also be presented.
- Risk identification and assessments specific to the workers' accommodation should be undertaken as part of the ESIA and any related development of an Environmental and Social Action Plan.
- Relevant national and local regulations must be identified and implemented.

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- Workers' accommodation has to be sufficiently close that workers do not have to spend undue amounts of time travelling from their accommodation to the work site. Furthermore, transport from the accommodations to the worksite has to be safe and provided free of charge.
- Buildings have to be adequately drained to avoid the accumulation of stagnant water.
- Heating, air-conditioning, ventilation and light should be appropriate for the climatic conditions (20 degrees Celsius in cold weather zones) and provide workers with a comfortable and healthy environment to rest and spend spare time.
- Workers should always have easy access to a source of clean water.
- Wastewater treatment and effluent discharge as well as solid waste treatment and disposal must comply with local or World Bank effluent discharge standards.
- Standard of rooms has to be sufficiently good to allow workers to rest properly and maintain good standards of hygiene.
- It is the responsibility of the accommodation manager to ensure that rooms and sanitary facilities are in good condition.
- Food safety: standards of the World Health Organization (WHO) have to be adhered to.
- Kitchen personnel must be trained in nutrition and food-handling and are adequately supervised.
- An adequate number of staff have to be trained in first aid and an appropriate number of first aid kits must be provided.
- Management plans must be in place for health and safety, security, and community relations.
- Fire safety plan must be in place, with appropriate personnel to implement it.
- Recreational facilities (e.g. table tennis, swimming pool) must be provided at worker accommodations.
- Internet facilities should be provided.
- Persons with appropriate background and experience must be designated to manage the workers' accommodation.
- Housing arrangements should be specified in workers' contracts.
- Restriction on workers' freedom of movement to and from site should be limited.
- The practice of withholding workers' ID papers is prohibited.
- Housing regulations should be non-discriminatory.
- There must be a clear policy on alcohol consumption, and this should be well communicated to workers.

2.3 ESIA COMPLIANCE

The Project ESIA was prepared in accordance with international methodologies, standards, guidelines and principles, namely:

- IFC PS¹³ on Environmental and Social Sustainability;

¹³ IFC Performance Standards on Environmental and Social Sustainability, 2012.
http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_pps

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- World Bank Group Environmental, Health & Safety (EHS) Guidelines;
- EBRD Environmental and Social Performance Requirements (PR)¹⁴; and
- Equator Principles¹⁵.

In addition, leading industry standards and codes of good practice, such as the International Cyanide Management Code (ICMC)¹⁶, European Union Mining Waste Directive (Directive 2006/21/EC), and the Voluntary Principles on Security and Human Rights (VPSHR)¹⁷, have been considered during the ESIA and have been taken into account in the preparation of management plans.

2.4 LYDIAN CORPORATE POLICY AND APPROACH

The Lydian Code of Conduct (COC) provides guidance in translating the Company's core values into how the Company, its personnel and its Business Partners conduct themselves in the workplace, marketplace, and in the environment and communities where the Company operates. The core values include:

- Honest and ethical conduct in everything we do
- A workplace where all individuals are treated with respect and dignity, free from discrimination, harassment and violence
- Compliance with applicable laws, rules and regulations
- Avoidance and ethical handling of conflicts of interest
- Understandable, accurate and timely public disclosure of information and
- Mutual respect and understanding in partnering for sustainable development.

Sections of the COC that are relevant to the WAMP:

- **Stakeholder Engagement:** The Project is committed to comprehensive consultation with stakeholders on issues around worker accommodation.
- **Cultural Heritage:** The Project is sensitive to local cultural mores that relate to worker accommodation.
- **Human Rights:** The Project will consistently apply the UN Guiding Principles on Business and Human Rights Voluntary Principles on Security and Human Rights in all its operations including worker accommodation.
- **Community Development:** The Project will realise opportunities to support local companies who may provide accommodation through contracts and support to align facilities with meeting international guidelines through discrete project support.
- **Compliance:** The Project will comply with all applicable local and national laws and regulations relating to workers' accommodation and will adhere to the requirements of the World Bank Group/IFC and EBRD.

¹⁴ EBRD Performance Requirements and Guidance for Clients, 2012.

<http://www.ebrd.com/pages/about/principles/sustainability/requirements.shtml>

¹⁵ Equator Principles III, 2013. <http://www.equator-principles.com/index.php/ep3>

¹⁶ International Cyanide Management Code for the Gold Mining Industry. <http://www.cyanidecode.org/>

¹⁷ Voluntary Principles on Security and Human Rights.
www.voluntaryprinciples.org/files/voluntary_principles_english.pdf

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- **Continuous Improvement:** The Project will regularly update its policies and systems by performing periodic, systematic, internal occupational health and safety audits. It will use the results as a basis for continuous improvement and sustained health and safety performance through an adaptive management process.

Lydian has the following Corporate Policies in place that are relevant to the WAMP:

- **Social Policy:** The Company implements a social management program for its operations which seeks to minimise, mitigate and compensate any adverse social impacts generated by its activities, and to enhance beneficial social impacts where possible and in accordance with internationally recognised business best practice. The Social Policy includes a commitment to comply with the requirements of the World Bank Group and the EBRD, in particular the IFC PSs and the EBRD PRs.
- **Human Resources Policy:** Lydian recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers. Lydian recognises that the workforce is a valuable asset and good worker-management relationships are key ingredients in the sustainability of the Company. Lydian is committed to employ locally where possible. This is supported through the provision of training for local applicants. Employees will be selected based on their performance, professional behaviour and ethics and approach to safety. A local recruitment procedure has been defined for Geoteam and gives priority for recruitment and workforce development in the region, starting from the Project Affected Area. It is Lydian's commitment to source, as many as practicable, workers from the local communities. This commitment will be implemented through a program intended to find and hire qualified personnel with previous experience, and to find and hire those inexperienced or unskilled personnel with the best potential as employees. Lydian supports human rights consistent with the United Nations Declarations on Human Rights and the Voluntary Principles on Security and Human Rights.
- **Occupational Safety and Health Policy:** The Project will work with regulatory agencies and other stakeholders, including local communities affected by its activities to address occupational health and safety priorities in a transparent, participatory, open and constructive manner. Lydian requires its consultants, contractors, suppliers and subsidiaries to adopt the principles of this Occupational Health and Safety Policy as a minimum standard.

In addition to the WAMP, the Project has developed a comprehensive suite of social management plans that are relevant to workers' accommodation which include:

- **Community Health, Safety and Security Plan** which sets out risks and mitigation actions relating to the workers' accommodation
- **Stakeholder Engagement Plan** which describes the Project's approach to engaging with a broad range of stakeholders.
- **Community Development Plan** which sets out the Project's commitment to community development and outlines the channels through which this will be pursued.
- **Risk Management Plan** - Risk assessments are done in accordance with Lydian Risk Assessment procedures set out in the Risk Management Plan (RMP). The RMP defines the criteria and methodologies that will be used to identify, quantify and develop action plans for risks and opportunities over during the all phases of Amulsar development, operations and closure. Assessments identify areas of potential risk, integrate potential risk events, courses of action and method of control and establish a comprehensive risk response methodology for both project execution and operations. The RMP is an integral part of the PEP. A risk assessment specific to worker accommodation was conducted as part of the development of the WAMP.

During the scoping stage, the ESIA consultation process with the local communities was used to define the Terms of Reference for baseline data collection and informed the techniques and methodologies adopted for the ESIA process.

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A Worker Accommodation Policy will be developed by 1st July 2016.

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3 IMPACT, RISK AND OPPORTUNITY ASSESSMENT AND MANAGEMENT

The ESIA process consisted of a screening and scoping study. Baseline data was collected to develop a detailed understanding of the social and environmental aspects that have the potential to be affected by the Project. The impact assessment and mitigation design together with the social and environmental management plans and the WAS are based on the baseline conditions and take account of the risks associated with the Project.

3.1 ECONOMIC IMPACTS AND RISKS AND MITIGATION MEASURES

Chapter 6 of the ESIA deals with economic impacts. These are briefly presented below.

3.1.1 Potential Impacts on Jermuk's Economy

Jermuk is primarily a spa tourism town. Tourism in Jermuk is highly seasonal, with hotels reporting full or near-full capacity in summer, and for a week over New Year's Eve, and periods of occupancy rates around 20 percent for the remainder of the year. The Jermuk economy is under-performing, with hotel operators reporting changes to the tourism industry following the Russian crisis (negative impact) and the introduction of Social Packages (positive impact). An absence of heating in one large hotel (Gladzor) requires it to shut for the winter period.

The Project's construction accommodation requirements vary with the manpower schedule. It is anticipated that the Project will require approximately 200 rooms in Jermuk from a period commencing in October 2016 through to May 2017, increasing to approximately 300 in February and March 2017, and with 50-100 rooms required for the build-up and ramp-down periods from June 2016 and to July 2017. Assuming market related rates per night the Project will contribute significantly to the Jermuk economy in room rental alone. In addition the Jermuk economy will also benefit from payments for "board", i.e. meals and ancillary services.

During the off-season periods (October – December and mid-January – April/May), the Project's rental of 561 beds is unlikely to displace significant tourism activity.

However, during peak tourist seasons, the rental of 250-300 rooms is expected to displace some tourist activity, effectively replacing tourist dollars with Project dollars. As such, the Project's economic contribution to Jermuk from the rental of hotel rooms can be considered new investment only in those times when it does not displace tourist revenues.

The establishment of a camp will obviate the need to use hotel accommodation except during the construction phase when the camp itself is being built. This does not, however, suggest that a camp will be necessarily be used during operations; decisions around the extent of camp use in specific phases are premature and dependent on detailed engineering. During operations the contribution of the Project to the local economy via accommodation revenue will be minimal; the only possibility of using hotel accommodation may arise if there is a significantly busy period on site with a high number of visitors that the camp cannot accommodate.

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3.1.2 Potential Impacts on Local Inflation

Localised inflationary effects can impact in two ways; the cost of goods and services within local communities and the cost of accommodation. A significant cash injection is likely to create a false economy. The extent of these impacts is dependent upon the procurement policies of the Project, the number of employees who are likely to purchase and consume locally, and the accommodation approach adopted by the Project. This impact has not been regarded as a risk in the WAS.

The Project will adopt a local procurement policy¹⁸. A constraint may be the availability of local produce and the range of products available. Local procurement is anticipated to focus upon produce which can be used for catering purposes in the construction workers camp, and other supplies primarily linked to workforce services in the office area.

The Project expects to have a peak construction workforce in the order of 1300, and an operations workforce of 657. During the construction period, it is anticipated that 30 percent of the workforce will be recruited locally, allowing them to remain living in their own homes while working for the Project. For the remaining approximately 900 construction workers (at peak), accommodation will be negotiated through in hotel accommodation principally in Jermuk and in surrounding towns (such as Vayk). The option of a temporary camp being built for the construction phase to accommodate between 550-900 workers has been included in the WAS. It is anticipated that the camp would operate as a closed camp, and thus would limit the interaction between construction workers and local communities. Limited interaction will also limit the level of purchasing made by these workers in the local communities. However, because workers would also be resident in Jermuk and surrounding areas, including Gndevaz, it is very likely that these workers, based in an onsite camp, would also make use of local services and facilities which may have the effect are creating an artificial economy characterised by inflated costs.

The impact of 600 or more workers with good access to local communities (predominantly Jermuk), and at peak time <1300 workers, who have the potential to purchase items locally is significant. With a study area population of 6,678, this could represent a significant increase in the volume of local purchasing. The presence of a camp will have a slight mitigating effect since the workforce will have reduced access and need to use goods and services provided in the towns. Local inflation of prices of goods and services is likely to begin during the construction period.

3.1.3 Mine Operations Phase Impacts

During the operations phase, the Project will contribute to Jermuk through the rental of hotel rooms and the anticipated arrival of a number of families who move into the area for the period of mining operations. The possible use of a camp during operations and its potential management by local company(ies) with the potential benefit of some increase (albeit marginal in the case of a camp) in hotel room occupancy from the Project over 12-13 years will have an economic impact on the viability of hotel enterprises. Spill over effects from the provision of direct (e.g. catering and laundry services) and indirect support services will also be felt.

The trend of an increase in the volume of local purchasing, with consequences for inflation of

¹⁸ The policy will include, for example, the opportunity presented by Lydian's consideration of the alternative of entering into a long term agreement with one or more of the existing facilities or future facilities for provision of worker accommodation during all phases of the project.

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local prices is likely to continue and expand during operations, with approximately 195 local workers (30 percent) expected to be working for the Project. Of the remaining 462 workers, approximately 250 are expected to be accommodated in hotels in Jermuk, with the remainder comprising non-local workers who are expected to move with their families into the area for the duration of the operation. This equates to approximately 250 single workers living in hotel accommodation and purchasing items in Jermuk, with another 210 families expected to take up residence within the Project area (likely to focus on Jermuk due to its greater size and availability of accommodation). Jermuk contains over 2500 apartment units, of which approximately 30 percent are typically made available for rental during holiday periods. These apartments have generally not been refurbished since the collapse of the Soviet Union.

Project employees will have higher levels of disposable income than is typical in the rural and urban communities at present, where subsistence activities dominate. It is likely that this will result in mine workers being able to pay higher prices for accommodation, food, transport and other staple items. Depending on the availability of these items and the reaction of local traders, it is anticipated that this additional spending power will generate localised inflation.

Households who own their own homes and remain predominantly reliant upon subsistence are likely to be shielded from inflationary impacts to a large extent. More significant inflationary impacts would be expected in Jermuk, where cash income and transactions predominate, making local households more vulnerable to price fluctuations for purchased goods.

Inflationary effects are likely to particularly impact households where no members are directly or indirectly employed by the Project but who are reliant upon a cash based economy either through renting or purchasing property or purchasing food items. Within this group, households headed by women, elderly people or households with no males of working age would be more vulnerable to this impact.

The existence of the Project camp will mitigate local revenue and inflationary effects as the workforce will have access to all the required goods and services on the Mine site, with the exception of niche services (e.g. hairdressing, barbers, specialized dietary).

3.1.4 Mine Closure Impacts

During the closure phase direct and indirect impacts will be discernible. Direct impacts will result from locally-residing mine employees, contractors and their families leaving the Project area. Effects will be felt on from population decrease, less employment, local housing rental economy and hotel occupancy shrinkage, day care and education infrastructure limitations.

Indirect impacts from the loss of economic activity for associated and family related secondary mine-related jobs will also be felt. Detailed research on the likely extent and scope of mine closure impacts, supported by discussions with community groups to determine the degree of impact, will be conducted.

3.2 SOCIAL IMPACTS AND RISKS AND MITIGATION MEASURES

The Environmental and Social Management Plan (ESMP) contains the methods and management required to deliver the environmental and social mitigation measures that have been defined in the ESIA. The ESMP (Chapter 8 of the ESIA) identifies the policies and

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procedures that Lydian, Geoteam and all contractors engaged for the Project adhere to.

A detailed risk and opportunity assessment related to worker accommodation was carried out in March and April 2016 as part of the WAS. This was preceded by research carried out with hotel owners/managers in Jermuk, Sisian, Vayk and the Arpa Valley, as well as with representatives from the community of Jermuk.

Two categories of impacts and risks were identified, namely Social and Technical/ Logistical impacts and risks (in addition to the economic aspect discussed in Section 3.1 above). These are detailed below. The complete risk register with risk rankings, mitigations and comments is presented in Section 5.3 of the WAS.

Based on fieldwork results/observations, information collected to date and a participatory workshop on site, 21 overall risks were identified and assessed by members of the study team. This WAMP has disaggregated and revised the number to 23 to indicate their specificity in more detail and to include additional risks identified in other documents. These are summarised below and reflected in the impacts and mitigation matrices for the hotels and camp respectively (Appendix 3 and Appendix 4). Mitigation measures to address each of the identified risks were also identified during the research and ascribed a risk prioritization scoring (the methodology is detailed in the WAS Risk Assessment 2016¹⁹). Measures to mitigate negative impacts are also reflected in the Stakeholder Engagement Plan (Ref GEOTEAM-SOC-PLN0150) and additional measures are generated as the Project rolls out. Relevant SOPs will be developed by Lydian (see Section 4 Management of Worker Accommodation).

3.2.1 Risk 1: Lack of control over alcohol consumption by geographically dispersed employees

The use of hotel accommodations at various hotels in Jermuk and elsewhere (Vayk, Arpa Valley) would potentially create a context where part of the construction workforce will not be constantly supervised outside of working hours; monitoring employees' behaviour to ensure compliance with the Company's COC will be a challenge. The use of a camp, on the other hand, makes monitoring and regulating staff behaviour easier, notwithstanding that personnel have to have freedom of movement. This will be enhanced through self-awareness and hence, self-regulation, amongst Project staff themselves. The main concern is around alcohol consumption which has the potential to affect employees' productivity, safety and interpersonal relationships as well as their, and hence the Company's, relationship with communities.

- **Measures:** The Project will:
 - o Conduct compulsory cultural sensitivity training and familiarization with the COC for all new employees and contractors, local and expatriate.
 - o Adopt a zero tolerance approach to implementing the COC both at the camp and in hotel accommodation. Data reflecting the wish to secure registered employment (Figure 5) suggests this should be unachievable. A more comprehensive COC will be developed by the Project.
 - o Impose strict penalties on all employees and contractors (defined in the contract and discussed before agreement).
 - o Conduct regular and sporadic site checks at hotels and at the camp whilst

¹⁹ Preliminary estimates of the costs of mitigation have been developed by Geoteam.

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respecting workers' freedom of movement rights.

- o Develop standard operating procedures for incident reporting and resolution.

The risks of a threat to the Project and staff's reputation, health and safety and productivity as a result of an alcohol related incident is regarded as high at hotels. The effects may be mitigated at the camp, but remains high. Mitigation measures will reduce the risk to medium which necessitates careful monitoring at all times.

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3.2.2 Risk 2: Inappropriate behaviour of employees in communities

The general behaviour of Company employees within communities and how this might affect the relationship between the Project and the community, perceptions of the Project and the Company's reputation, is a medium risk.

- **Measures:** Whilst respecting employees' right to freedom of movement, measures will include:
 - o Cultural sensitization and orientation for new employees and contractors, local and expatriate.
 - o Compelling employees to agree to the Geoteam COC in their employment contracts. A more comprehensive behaviourally focused COC will be developed by the Project addressing the identified potential social impacts associated with workforce presence in the community.

The reputational risk to the Company is regarded as medium. The mitigation measures have the potential to go some way to reducing negative behaviours and, in time, socially accepted norms will emerge as standard practices amongst employees both in the camp, hotels and other public spaces.

3.2.3 Risk 3: Insufficient uptake of local workforce by the Project causing community dissatisfaction

Inadequate localization and maximization of local employment (for unskilled jobs) has the potential to foment dissatisfaction in communities. The risk is not related to hotel and/ or camp accommodation *per se* but rather to the Project at large.

- **Measures:** The Project will:
 - o Develop a LEP and LPP that sets out how the localization of jobs and contracts will be implemented over the course of the Mine's life. The approach to localization of employment is set out in the PEP presently.²⁰
 - o Ensure that the LEP and LPP have clear strategies for engaging and securing local personnel and awarding local procurement contracts.
 - o Ensure community engagement in the development of the LEP and LPP which includes public disclosure of the plans.

The risk is regarded as medium. The mitigation measures will mediate the risk reducing it to a low ranking.

3.2.4 Risk 4: Job poaching by the Project causing community dissatisfaction

The Project has the potential to bring new jobs into the market, both directly on the Mine itself but also through ancillary services (site and camp infrastructure management and maintenance). Local procurement by local companies or the Project, which may offer better salaries and service conditions, will be a source of dissatisfaction amongst local companies who stand to lose employees (who are often seasonal workers) to the Project. This risk is particularly acute where the camp accommodation option is implemented.

- **Measures:** The Project will:

²⁰ Lydian is in the process of developing the LEP and LPP with a view to completion by 1st July 2016.

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- o Develop a LEP and LPP that is has clear transparency, equality criteria selection criteria and address any gender dimensions.
- o Ensure that the LEP and LPP are clear about how local personnel will be brokered and how local procurement contracts will be awarded.
- o Ensure community engagement in the development of the LEP and LPP which includes public disclosure of the plans.

The risk is regarded as high. The mitigation measures will contribute to mitigation but the risk will still remain high.

3.2.5 Risk 5: Negative effect of external workforce on community attitude towards outsiders

Tensions may arise from having an external workforce located in the local community. This may manifest as ethnicism (between Armenians from different regions) to xenophobia (towards foreigners working on the Project). The risk is generic to both hotel and camp options.

- **Measures:** The Project will:
 - o Develop a LEP and LPP that set out how the localization of jobs and contracts will be implemented over the course of the Mine's life.
 - o Include cultural sensitivity and community relations training for all Project employees in their induction/ orientation programme.

The risk is regarded as medium. The mitigation measures will mediate the risk reducing it to a low ranking.

3.2.6 Risk 6: Inability of Jermuk hospital to respond to increased demand for medical services for Project employees

Increased demand for medical services during the peak tourist season, when the population of Jermuk temporarily increases and there is additional demand for medical services from tourists, places additional workload on the medical system and staff at Jermuk hospital. Visual inspection revealed that there are adequate quantities of medical supplies but that there is a lack of specialized staff. The location of the camp within the Mine footprint and establishment of an on-site clinic will reduce the possible number of consultations at the municipal hospital, hence acting a barrier to demand for services from the hospital.

- **Measures:**
 - o Cooperate with hospital management and administration to ensure that ensure that the hospital staff complement of 5 doctors and 14 nurses remains stable and that workloads are realistic. Ensure that municipal hospital management are fully aware of the range of services that the on-site camp clinic will provide and its implications for medical service provision in the hospital.
 - o Frequent communication and coordination between site and hospital staff.

The medium level risk can be mitigated to low.

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3.2.7 Risk 7: Inability of Jermuk hospital to respond to provide adequate medical services for Project employees

The level of medical response (degree of specialization and equipment quality) required from the municipal hospital for the types of treatments specific to the Project are common to all staff regardless of their place of accommodation. The types of injuries to Mine employees originating on the Mine may involve different types of injuries to those hospital staff may be accustomed to (from the public and tourists) and may require more specialized medical attention. The location of the camp within the Mine footprint and establishment of an on-site clinic with trained staff to serve 1300 people (international medical service organization with evacuation capacity) will offset the inability of the Jermuk hospital to offer adequate services.

Visual inspection of the hospital revealed that equipment is dated or obsolete, sanitation is poor and the number of beds is limited.

- **Measures:**
 - o Increase capacity at Jermuk hospital to deal with workplace and Mine-related type injuries.
 - o Upgrade equipment and provide specialized training of medical personnel to meet the standards required by the Project.
 - o Support infrastructural improvements at the hospital.
 - o Training and support provided from the Project to local medical professionals.
 - o Limit use of Jermuk hospital (this implies there would be high capabilities on site and evacuations would be made directly to Yerevan or elsewhere).

The medium level risk can be mitigated to low.

3.2.8 Risk 8: Worker dissatisfaction with variable conditions at hotel accommodations

The standard of accommodations in hotels likely to be designated for Project workers is highly variable with limited recreational facilities at some hotels, different standards of service, comfort and quality of food. Camp accommodation will meet international standards and be consistent.

- **Measures:** The Project will:
 - o Provide comfortable accommodation, adequate food and recreational facilities.
 - o Establish clear expectations with employees and contractors about the accommodation facilities available.
 - o Consider a “lottery” system for allocating workers/contractor companies in the accommodations perceived as most desirable.

The medium level risk associated with a perception of variable conditions in hotels are unlikely to change with mitigation. The same can be said of perceptions in the camp, however, camp management will have a grievances (suggestions) system in place and direct access to possibly disgruntled staff which will effect resolution of problems faster.

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3.2.9 Risk 9: Travel distance and time between hotel accommodations and site and risk of incidents associated with transporting workers to accommodations outside of Jermuk

If some workers are accommodated in Vayk or Sisian the commute distances and times would be considerable. Risks may include increased stress, anxiety and physical passivity. Road conditions (particularly in winter) and common road hazards involve risk, especially if any employees are to be housed in Sisian.

- **Measures:** The Project should:
 - o Ensure that vehicles are roadworthy, maintained and inspected.
 - o Ensure that drivers are trained and qualified.
 - o Comfortable Mine service buses are used.
 - o Pre-qualified bussing companies (with good safety records) be utilized.
 - o Implementation of enhanced safety procedures like transport convoys.

The medium level risk associated with long commute times to and from the workplace can be mitigated to low. This risk is not associated with a camp. As noted elsewhere in the WAMP Vayk and Sisian were excluded from consideration.

3.2.10 Risk 10: Insufficient levels of local procurement by the hotels

This risk is based on the possibility that hotels and the Project (camp) may procure food and other goods and services from outside the region. There is also the risk that local suppliers may feel under-utilized. In contrast, the Project (if using the camp option) may make concerted efforts to maximize local procurement as part of its social/community relations policy.

- **Measures:**
 - o Encourage hotels to pursue local procurement (may include incentives or regulation through Company Policy as set out in the LPP).
 - o Local supplier development programs which includes training on quantity estimations, competitive bidding, contract management and certification of produce.

The medium level risk associated with perceived insufficient local procurement can be mitigated to low.

3.2.11 Risk 11: Jermuk's status as a tourism destination is compromised

Should Jermuk's reputation as a health and historical tourism destination change as a result of the Project's presence (negative perceptions of health, traffic, population numbers, hotel bookings) there may be a number of effects ranging from reduced numbers of seasonal visitors, reduced trade volumes for hotels, local vendors and small tourism-related businesses who typically sell goods and services to visitors (for example souvenirs, crafts, restaurants, entertainment and tour guides). Since the Project is 14 km away from Jermuk, there are possibility of negative visual impacts.

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- **Measures:**

- o Minimize the number of workers housed in Jermuk by ensuring that the level of accommodation sought by the Project will not “crowd out” existing tourism activities.
- o Develop a sustained stakeholder engagement strategy targeting tourism operators, hotel owners and operators and town administrators to plan for the introduction of a maximum of 300 construction workers during the construction period.
- o Support sustainable tourism development efforts in Jermuk that explain the economic and social impacts likely.
- o Enforce workers’ COC.
- o Selectively choose hotels to be used.
- o Support in financial sustainability training for local business enterprises.
- o Support for local, regional and national advertising or promotion of local festivals and events, health and recreational tourism and historical tourism.
- o Monitoring stakeholder perceptions and local economic development in order to empirically attribute a positive or negative trend in tourism to the Project’s presence.

The high risk associated with Jermuk’s perceived compromised image as a health and recreation tourism destination applies regardless of where the Project personnel are accommodated. It can be mitigated to medium with the measures listed above.

3.2.12 Risk 12: Loss of repeat or traditional customers for hotel industry

Hotels in Jermuk that have longstanding arrangements with local and international tour companies, and which book large numbers of rooms during the tourist season, may face reduced trade and hotels may face reduced occupancy rates. Hotels that have standing package deals for large numbers of public sector workers may also face more limited trade.

- **Measures:**

- o Minimize the number of workers housed in Jermuk.
- o Assist in the development of niche tourism in Jermuk.
- o Provide support for the development of sustainable post-construction business plans.

The high risk associated with possible loss of repeat custom. This applies regardless of where the Project personnel are accommodated and can be mitigated to medium with the measures listed above.

3.2.13 Risk 13: Hotel management unwillingness to make accommodation available or declare vacancy rates

Hotel Managers may elect to guard their existing clientele and occupancy rates by indicating low, or no availability, for Project employee accommodation. Hotel Managers are concerned that full occupancy from accommodating Project employees will have a detrimental effect on existing and future client willingness to return.

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- **Measures:**

- o Minimize the number of workers housed in Jermuk.
- o Assist in the development of niche tourism in Jermuk.
- o Provide support for the development of sustainable post-construction business plans.

The high risk associated with possible intentional unwillingness to do business could be mitigated to medium with the measures listed above. This risk is mitigated significantly by the existence of the camp since only few workers will be accommodated in Jermuk and at specific times for limited periods.

3.2.14 Risk 14: Inability of Jermuk municipality (lack of human and financial resources) to properly manage waste disposal, landfill, roads maintenance and snow-clearing.

The Mayor of Jermuk confirms that the town has adequate infrastructure to provide water and power supply if the Project were to generate high occupancy in hotels year-round. Local government capacity to manage increased domestic waste volumes from increased hotel occupancy, local roads maintenance and snow removal is, however, lacking. Any inability to provide water, electricity, domestic waste removal and other services is a lost revenue generating opportunity for the local authority. This risk is not associated with a camp since all site management is administered in-house..

- **Measures:**

- o Directly upgrading the municipal landfill.
- o Snow removal and urban infrastructure management as requested and evaluated by the Project.
- o Temporarily containment of domestic waste and transportation to an acceptable facility.
- o Contracting local companies to manage waste from the construction site workforce.
- o Exploring public-private partnerships with the local municipality.
- o Community investment partnerships for upgrading local roads and infrastructure.

The high risk associated with constraints to local authority capacity and resources can be mitigated to low with the measures listed above.

3.2.15 Risk 15: Negative reputational consequences of media coverage of the effects of housing workers in hotels

Should a hostile stakeholder or Civil Society Organization engage the media (or participate in social media) in a way that portrays the Project's use of hotels for accommodation of the construction workforce in a negative light, the Project may face reputational damage which, if not managed, will undermine its social licence to operate. This risk of negative reputation impacts are not removed, but lessened significantly with a camp.

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- **Measures:**

- o Ongoing internal stakeholder engagement (local) and external relations (regional, national and international) that maintains public support for the Project.
- o Development of targeted media and communications strategies with clear messaging.

The high risk associated with potential negative public exposure to media should be able to be managed effectively and reduced to a medium risk with the measures suggested.

3.2.16 Risk 16: Dissatisfaction around inadequate use and support of local health and other service providers

Expectations have been created that the Project will use local health and other service providers extensively during construction and post-construction phases. Any perceived reduction or limitation to the use of the services and facilities may generate discontent within the local authority, local community, local service providers, facility managers and their staff. The location of the camp within the Mine footprint and establishment of any facilities with staff that could reduce the possible quantity of services will be seen as a limitation on local companies, service providers and local government to provide services and hence generate revenue.

- **Measures:**

- o Generate estimates of the scope, quantity, value of services and employment that the Project may require from various service providers for all phases of the Project.
- o Conduct a gap analysis to ascertain service providers' capacity to deliver the required services.
- o Ensure that local government and the local chamber of business are fully aware of the range of opportunities that the Project will require.
- o Ensure that a capacity building and training needs assessment is conducted and a programme is in place to develop local service provider capacity.

Medium risk of dissatisfaction from service providers can be effectively reduced to low with the mitigation measures suggested.

3.2.17 Risk 17: Increased transmission of communicable diseases (STDs, TB, infections, influenza viruses etc.) due to workers being present in the community

The risks associated with the spread and management of communicable diseases applies regardless of where the Project personnel are accommodated. This nature and type of communicable diseases are influenced by the type of accommodation; a camp may or may not reduce the spread of viruses, infections and other diseases.

The presence of hundreds of workers in the community during the construction phase of the Project may present challenges from the perspective of public health. It is possible that the community could be faced with higher rates of transmission of various communicable diseases. Of particular concern are STDs.

The Project has undertaken in the ESIA to ensure widespread availability and social

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marketing of condoms in the workplace and accommodation areas. Condom distribution programmes in local restaurants and entertainment areas where sexual transactions are likely to take place will be considered, with appropriate engagement with communities. The cultural appropriateness and acceptability of this approach needs attention.

- **Measures:**
 - o Implementation of awareness programs.
 - o Condom distribution.
 - o Minimizing workers' interactions with the community (enforcement of the COC).
 - o Monitor health facility statistics in mine employee accommodation areas.
 - o Standardized tests (confidential).

This is a high risk issue that can be reduced to medium risk by implementing the mitigation measures listed.

3.2.18 Risk 18: Project team poorly manages dispersed accommodations

Accommodating employees in a number of different hotels in different communities makes management and operational logistics challenging. Provision of the same or similar accommodation, meals and other services and entitlements to the same standard will present difficulties. This risk is not associated with a camp.

- **Measures:**
 - o Establish an Accommodation Management Team with requisite resources (experienced senior manager and support/coordination staff as required).
 - o Ensure formulation of appropriate SOPs for the Accommodation Team Management.
 - o Ensure implementation of the COC.
 - o Centralize the provision of some services where possible (e.g. meals at a centralized location such as large hotel restaurant or cafeteria).
 - o Develop and implement a grievance mechanism for workers, hotels, and the community.
 - o Clearly communicate (and enforce) COC.

This is a high risk issue that can be reduced to medium risk by implementing the mitigation measures listed.

3.2.19 Risk 19: Disruption of Jermuk's coveted "tranquility" value

The risks associated with a disruption of Jermuk's coveted value applies regardless of where the Project personnel are accommodated and is a Project-wide issue. A Project construction workforce in Jermuk is perceived as having the potential to disrupt the town's famous "tranquility" quality as outsiders occupy various public and recreational spaces.

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- **Measures:**

- o The COC should be rigorously applied with all Project employees.
- o The Project Grievance Procedure should be disclosed to communities.
- o Appropriate SOPs should be developed and provided to all employees and disclosed to communities.
- o Where possible, hotel accommodations should be selected away from the main recreational and public spaces in town.

This is a medium risk issue that can be mitigated to low.

3.2.20 Risk 20: The size of the local workforce could be less than predicted

In the event that the number of locally recruited workers is less than currently anticipated, more beds would be needed in hotels during the construction phase – posing a serious logistical challenge. Conversely, if the Project is successful in recruiting workers locally (from Jermuk, Kechut, Gndevaz, Saravan), the need for hotel accommodations would be reduced and high participation of local workers in the Project may generate other benefits to the Project – including greater community support. Similarly, any reduction in the size of the workforce will have direct effects on the size of the camp.

- **Measures:**

- o Monitoring local worker engagement.
- o Training programs to raise local capabilities.
- o Recruitment efforts could be made with local people currently working in Russia or elsewhere.

The medium ranked risk can be reduced to low with the mitigation measures.

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3.3 TECHNICAL/ LOGISTICAL IMPACTS AND RISKS AND MITIGATION MEASURES

3.3.1 Risk 21: Seismic design of proposed accommodations does not meet current design code

The most complicated technical risk resulting from this study is the question of how to address the seismic hazard associated with housing workers in accommodations which were designed, and constructed, to differing standards between the time period of 1936 to 2016. The most recent change to this design code came into effect in 1994 as a response to the 1988 Spitak earthquake. This issue was identified early in the study formation and services of the ECUD were retained to assist in structural evaluations.

Initial ECUD investigations concluded that in general each of the facilities passed a visual inspection . However, given the potential consequence associated with a seismic event it is recommended that pre 1994 constructed buildings undergo a detailed analysis to provide greater confidence in that they do meet applicable legislation. This is a separate report to the inspection carried out for the WAS.

By ensuring that all buildings being used by the Project meet national codes the seismic risk to workers in accommodations can be managed.

- **Measures:**

- o conduct seismic improvements to existing structures utilizing only modern (post 1994) construction or avoiding existing structures by using a camp. However, with the exception of a camp the other alternatives are cost or schedule prohibitive, therefore efforts should be directed at thoroughly understanding the seismic hazard associated with buildings deemed critical due to their ability to house substantial numbers of people as well as provide support services such as catering.
- o Use the results of the ECUD detailed analysis of Hotels A and L in mid April 2016 to ensure that buildings constructed prior to the 1994 design legislation change meet all required Armenian standards.
- o Do not use any buildings which do not meet Armenian code.
- o Avoid existing structures by using a camp.

This risk is high priority and can be mitigated to low.

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3.3.2 Risk 22: Poor food safety in non-centralized kitchens

From a safety and logistics perspective it is very important that the quality of food for all workers is consistently adequate primarily for worker health and safety but also for productivity and morale. Relying on multiple kitchens in different hotels makes the control of food safety difficult at a technical/commercial, managerial and logistical level. Food hygiene and quality from a common mess (camp option) is more efficient and effective. There is currently an existing level of control in that Armenia does institute government inspections regarding food safety. However, given the potential severity of this issue it is likely additional measures will need to be taken.

- **Measures:**
 - o The Company could contract independent audits for both safety and quality.
 - o Specify contractual obligations on the part of the service providers.
 - o Centralize food preparation and catering through either existing large hotel kitchens or a constructed mess hall.

This high risk issue can be mitigated effectively to a low risk one through the proposals above.

3.3.3 Risk 23: Carbon Footprint and Climate Change

With respect to accommodation, during the operations phase Greenhouse Gases (GHG) will arise from indirect sources such as the electricity that is sourced from the Armenian grid for the hotel accommodation for up to 250 employees. Camp accommodation will have a unique carbon signature that needs to be calculated and compared to the carbon footprint of hotel accommodation. Transportation of employees from hotel accommodation to the site will have a carbon impact. It is expected that all other employees would be commuting from their homes to the Project site and these emissions have not been taken into account.

- **Measures:**
 - o Accommodation facilities to use more sustainable and ecologically sound sources of electricity for heating (purchase green energy).
 - o Accommodation facilities to use energy efficient technology such as CFLs or LEDs for lighting (if available in Armenia).
 - o The use of geothermal and air source heat pumps for heating and cooling in accommodation.
 - o Use biofuel vehicles in Project pool vehicles.
 - o The commuting workforce that use private vehicles to use environmentally sound fuel.
 - o Report on all innovations and initiatives that reduce GHG in the annual report and the Carbon and Energy Management Plan.

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3.4 HOTEL AND CAMP ACCOMMODATION OPPORTUNITIES

The Project will contribute to Jermuk's economy both directly and indirectly. The primary direct contributions will be the occupancy of up to 600 beds (double occupancy) in Jermuk during the construction period, and rental accommodation for approximately 210 families and hotel accommodation for 250 individuals during the operations period. These direct benefits will be experienced predominantly by the hotel owners and operators and families renting out apartments during the operations period. Operational opportunities suggested in the WAS that may support local businesses may include a central off-site kitchen that services the camp and construction lunch rooms; this would be *in lieu* of a camp kitchen and address one or more of the food related risks identified. Lydian are committed to identifying additional opportunities through the process of developing the LEP and LPP.

The indirect contributions will include: increased spending within Jermuk due to the increased level of cash income within the Project area; increased demand for goods and services which may prompt and support the development of new businesses during the period of mining operation; and an expansion in the number of local jobs within Jermuk to operate and maintain hotel accommodations.

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4 MANAGEMENT OF WORKER ACCOMMODATION

4.1 PROCESSES AND PROCEDURES

Detail on the operational procedures that will be followed in managing the accommodation facilities will be developed to include details from the additional technical studies, specifically, any seismic, and logistical parameters that need to be accounted for. Although the information is of no direct consequence to the socially acceptable numbers maximum, it does have direct bearing on the SOPs that will be adopted which operationalize the plan.

Table 9 is the framework for the management of worker accommodation which will be updated as corporate decisions and further research has been completed. As such, the content will have to be updated taking the conditions in specific hotels into account and more detail is available for a camp.

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Table 9: Framework for Worker Accommodation Management

Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
Overall Management	Site Accommodation Management – The site will be managed in compliance with IFC and EBRD standards. National and local regulations will be applied. All management plans and policies, health and safety (with emergency responses), security, workers’ rights, community relations and worker accommodation policies are in place. An appointed person with the adequate background and experience in worker accommodation facility management is appointed. There will be a sufficient number of staff in charge of cleaning, cooking and of general maintenance to align with the number of camp users. Camp site staff will be recruited from the local communities to the extent practically possible. All staff will have been trained in basic health and safety training. Catering and kitchen staff will be trained in nutrition and food-handling and adequately supervised. Regular inspections will be conducted. Off-site Accommodation Management - The site will be managed in compliance with IFC and EBRD standards. National and local regulations will be applied. Hotels used will be contractually required to put the right policies, procedures, systems personnel and facilities in place. Regular inspections will be conducted. Management of Community Relations – a suite of plans addressing issues around community engagement, health and safety, and development have been designed and are being implemented. A senior manager oversees all Community Relations activities, including regular assessment of impacts of workers’ accommodation on local communities and their mitigation and	Camp Manager Human Resources Manager Geoteam	Hotel General Manager (Human Resources Manager) (Security Manager) (Geoteam)

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Management Component	Management Commitments and Steps	Camp: Single/Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	grievances in accordance with PS1/PR10.		
Transport	Commuting - The living facilities are located within a reasonable distance from the worksite. An adequate free transport system to and from surrounding communities will be provided. Free and safe transport will be provided between the workplace and accommodation with Project service buses. The Project will ensure that vehicles are roadworthy, maintained and inspected, all drivers are trained and qualified, comfortable service buses are used, pre-qualified bussing companies (with good safety records) are utilized and that enhanced safety procedures like transport convoys are implemented. All passengers will be governed by the COC, which will include compulsory wearing of safety belts and exposure to an on-board vehicle safety video. Environmental sensitivity – Project pool and service vehicles will be operated to ensure maximum efficiencies.	Health and Safety Manager Security Manager	Health and Safety (Manager) (Security Manager)
Health	General Living Facilities – The living facilities have been selected to avoid flooding and other natural hazards. The building site will be adequately drained to avoid the accumulation of stagnant water. Facility building materials - The living facilities will be built with materials that do not present any health or safety risk to the workforce. All buildings will be maintained and kept clean. The facilities will have an integrated waste management system that keeps premises free from rubbish and other refuse. Communicable Diseases – There will be guidance on the contraction and spread of health-related communicable diseases. There will be the implementation of awareness programs, condom distribution, standardized tests and the minimization of workers' interactions with the community (enforcement of the	Camp Manager Health, Environment, Safety and Security Manager Health and Safety Manager Security Manager Geoteam	Hotel General Manager (Health, Environment, Safety and Security Manager) Health and Safety (Manager) (Security Manager) (Geoteam)

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	COC). The Project will monitor health facility statistics in Mine employee accommodation areas. Heating, Air Conditioning, Ventilation and Light – All accommodation facilities will be climate controlled taking the winter and summer temperature regimes into account. The temperature will be kept constant at about 20⁰ C and ventilated to ensure the supply of fresh air. Lighting - Natural and artificial lighting will be provided and maintained in the accommodation. The window area will represent not less than 5 percent to 10 percent of the floor area. Emergency lighting will be provided. Pest Control and Pesticides - Pest extermination, vector control and disinfection will be carried out throughout the living facilities in compliance with local requirements and/or good practice. Where warranted, pest and vector monitoring will be performed on a regular basis. Waste Water – Wastewater and sewage will be discharged in compliance with local and World Bank standards without causing any significant impacts on camp residents, the biophysical environment or surrounding communities. Waste – Food waste and any other waste materials will be safely and adequately discharged, in compliance with local and World Bank standards. Food waste and other refuse will be adequately deposited in sealable containers and removed from the kitchen frequently to avoid accumulation. There will be no significant impacts on camp residents, the biophysical environment or surrounding communities. Waste receptacles will be provided and emptied on a regular basis so as to avoid odours. All containers will be leak proof, non-absorbent, rust and corrosion-resistant that are protected from insects, rodents and wildlife. Waste		

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	containers will be located 30 metres from each shelter on a wooden, metal, or concrete stand. Recycling – Specific containers for sorting waste will be provided in the camp site.		
Food Preparation	Kitchen Food Preparation - Places for food preparation will be designed to permit good food hygiene practices and include protection against contamination between and during food preparation. The kitchen will have sufficient number of washbasins designated for cleaning hands with clean, running water and materials for hygienic drying. Floors, ceiling and wall surfaces adjacent to or above food preparation and cooking areas will be built using durable, non-absorbent, easily cleanable, non-toxic materials. Wall surfaces adjacent to cooking areas will be made of fire-resistant materials. Food preparation tables will be equipped with a smooth durable washable surface. Stoves, work benches and fixtures will be free standing to enable easy cleaning. All cupboards and other fixtures and all walls and ceilings will have a smooth durable washable surface. There will be adequate facilities for cleaning, disinfecting and storage of cooking utensils and equipment. Nutrition and Food Safety – The WHO 5 keys to safer food or an equivalent process will be implemented. Food provided to workers will contain an appropriate level of nutritional value and takes into account religious/cultural backgrounds; different choices of food will be served if workers have different cultural/ religious backgrounds. Food will be prepared by cooks and menus planned by a trained nutritionist. The Company will contract independent audits for both safety and quality.	Head Chef Line Cook Kitchen staff	Head Chef Kitchen staff Food & Beverage Service Manager Conference & Banqueting Manager

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Management Component	Management Commitments and Steps	Camp: Single/Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	Family Food Preparation – If families will be accommodated, each family will be provided with a private kitchen or the necessary cooking equipment to allow the family to cook on their own. Each family will be encouraged to keep their kitchen facilities in a clean and sanitary condition.		
Beverages	Hydration – There will be access to a permanent and adequate and convenient supply of free potable water to workers; 125 litres is available per person per day. Drinking water will meet national/local and WHO drinking water standards. Water quality will be regularly monitored. All water tanks will be designed to be protected from contamination and pollution by a cover. Alcohol – Consumption of alcohol will be governed by the COC. A zero tolerance policy on site will be applied with strict penalties for all employees and contractors in contravention of the COC. Compulsory cultural sensitivity training and familiarization with the COC for all new employees and contractors, local and expatriate will be conducted. Regular and sporadic site checks will be conducted at hotels and at the camp whilst respecting workers' freedom of movement rights. An incident reporting system will be implemented.	Line Cook Kitchen staff Accommodation staff Security Manager	Food & Beverage Service Manager Conference & Banqueting Manager (Head Chef) (Security Manager)
Accommodation	General Rooms/ Dormitories – Rooms will be provided free of charge to all site-based staff. All rooms/dormitories will be maintained by a service team and aired and cleaned at regular intervals. Workers will be encouraged to keep their rooms and the dormitories clean in line with the COC. Floors will be made of an easily cleanable material. Separate sanitary facilities will be provided for men and women and are located in the same buildings as the accommodation. Each person will have about 10 to 12.5 m ³ or 4 to 5.5 m ² living space with a minimum ceiling height of 2.10 metres. Common facilities will be limited to provide workers	Accommodations Service Manager Health and Safety Manager Housekeeping Manager Room Attendant	Hotel General Manager Housekeeping Manager (Accommodations Service Manager) (Health and Safety)

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	with privacy. Under exceptional circumstances will workers are allowed to share the same room. All doors and windows will be lockable and provided with insect screens. Curtains and/or blinds will be provided to ensure privacy. A table, chair, mirror, cupboard and bedside light will be provided in every room. Separate sleeping areas will be provided for men and women, except in family accommodation. All services, equipment, furnishings, bedding and towels will be provided free of charge. Room Allocation – The HR Department and Camp Manager will allocate rooms to all staff and visitors in advance on their deployment/ arrival. Each person will be given a key and identification card. Sanitation – Sanitary and toilet facilities will be designed to provide workers with adequate privacy, including ceiling to floor partitions and lockable doors. Sanitary and toilet facilities will not be shared between men and women, except in family accommodation. All sanitary and toilet facilities will be made of easily cleanable materials. The will be cleaned frequently and kept in working condition. Laundry – Free laundry facilities for washing and drying clothes will be provided in the camp. A separate laundry room will be built from adequate and easy to clean materials. It will include all the equipment and products necessary to maintain a high standard of personal hygiene and will include sinks or tubs with hot and cold water, cleaning soap and drying lines, washing machines, dryers, irons and ironing boards. Special laundry facilities will be provided for cleaning of clothes that may have become contaminated with dangerous substances. The laundry will be kept in a clean and sanitary condition and workers will be encouraged to keep the facilities in a clean and sanitary condition.		Manager)

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	Bedding and Mattresses – A separate bed will be provided for each worker. During construction, if a system of double bunking is required, enough clear space between the lower and upper bunk of the bed (range from to 0.7 to 1.10 metres). Each worker will be provided with a comfortable mattress, pillow, cover and clean bedding. Bed linen will be washed frequently and applied with repellents and disinfectants. Storage – Furniture and facilities for the storage of personal belongings for workers will be provided. Lockers will have 475 litre capacity and cupboards will be 1 metre of shelf unit. Separate storage for work boots and other personal protection equipment, as well as drying/airing areas will be provided. Disabled Access – All accommodation will be designed and built to ensure access for disabled people. Family Accommodation – If families will be accommodated, each family will be provided with adequate living infrastructure to allow the family to live on their own. Child Care - If families will be accommodated, each family will be provided with adequate child care facilities. Environmental awareness - Accommodation facilities will be designed to use more sustainable and ecologically sound sources of electricity for heating, use energy efficient technology such as CFLs or LEDs for lighting (if available in Armenia) and use geothermal and air source heat pumps for heating and cooling in accommodation if practicable.		
Public Spaces	Mess/ Dining Hall – There will be a common eating area from which two meals will be served per day (breakfast and dinner). The dining hall will be constructed	Camp Manager Accommodations	Hotel General Manager

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	from adequate and easy to clean materials. They will be kept in a clean and sanitary condition. The mess will have a reasonable amount of space per worker (range from 1 square metre to 1.5 square metres). The mess will be furnished to include tables, benches, individual drinking cups, cutlery and plates. Lunch will be provided in packed form for on-site consumption during working days. On off-days it will be provided in the mess. Common WCs – The mess area will have an adequate number of toilets and washbasins for staff using the mess (range from 1 unit to 15 persons to 1 unit per 6 persons. For urinals, usual standards are 1 unit to 15 persons). Toilet facilities will be conveniently located and easily accessible (range from 30 to 60 metres from rooms/dormitories). Toilet rooms will be located so as to be accessible without any individual passing through any sleeping room. All toilet rooms will be well-lit, have good ventilation or external windows, have sufficient hand wash basins and be conveniently located. Toilets and other sanitary facilities will be in the same building as rooms and dormitories. Recreational/ relaxation areas – There will be adequate common spaces for social interaction and recreation in the camp. These will include multipurpose rooms equipped with social games equipment, a reading room and books, designated areas for TV. Separate health and fitness facilities will be provided. Communications Technology - Workers will have access to the internet through wireless connections. Dedicated religious spaces – Workers will be provided with dedicated places for religious observance. Notice Boards – There will be notice boards in the mess/ dining hall and in the	Service Manager	(Accommodations Service Manager)

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Management Component	Management Commitments and Steps	Camp: Single/Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	accommodations buildings. All publications on the notice boards will be vetted by the Camp Manager and HR Manager. Non-Smoking – The camp site will be a designated No Smoking Area. The COC will be applied. Parking Areas – Staff and public parking areas will be regulated by the traffic plan.		
Health and Safety	Camp health and safety - Health and safety management plans including electrical, mechanical, structural and food safety will be designed and are implemented. The Camp Manager will report to the health authorities the outbreak of any contagious diseases, food poisoning and other important casualties. Staff will be trained to provide first aid. Staff will have access to medical facilities and medical staff. Where possible, female doctors/nurses should be available for female workers. Fire - A specific fire safety plan for fire safety management will be prepared, including training of fire wardens, periodic testing and monitoring of fire safety equipment and periodic drills.	Mine General Manager Health, Environment, Safety and Security	Hotel General Manager (Mine General Manager)
Security and Safety	Security – The Project security plan will include clear policies on the use of force by security staff. Security staff will be professionally trained and will have received training about their duties and responsibilities and human rights. Particular attention will be drawn to engagement which does not harass, intimidate, discipline or discriminate against workers. Security staff will be screened to ensure that they have not been implicated in any previous crimes or abuses of rights. Both men and women security staff will be appointed. All staff will be protected against attack. Specific training will be provided for security staff	Mine General Manager Health, Environment, Safety and Security Manager Health and Safety	Hotel General Manager (Mine General Manager) (Health, Environment, Safety and Security

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	in gender and how to deal with domestic violence and violence against women. Site and camp access – Searches will be compulsory for all vehicles and staff on entry to the site. The most appropriate technology will be utilized. Personal body searches will only be permitted in specific circumstances and will be performed by specially trained security staff using the least-intrusive means possible. Pat down searches on female workers will only be performed by female security staff. Visitors – A system for managing access by visitors to site will be developed and include formal identification against an official document, furnishing a visitors pass/ access card and any safety clothing or equipment required. Staff residing in accommodation will have the right to receive visitors.	Manager Security Manager	Manager) (Health and Safety Manager) (Security Manager)
Emergencies	Medical and First Aid Facilities – The maximum number of first aid kits adequate to the number of residents will be made available. First aid kits will be adequately stocked and replenished regularly. A 24 hour medical facility will be available on site. A recovery room will be built and equipped. Staff will be trained to provide first aid. The local hospital will be used for patient stabilization. Emergency Evacuation Procedures - Emergency plans on health and fire safety will be prepared. Emergency plans will be prepared as needed to handle specific natural disasters (earthquakes and associated flooding).	Mine General Manager Health, Environment, Safety and Security Manager Head: Camp medical facility/ clinic	Hotel General Manager (Health, Environment, Safety and Security Manager)
Maintenance	Due diligence – The camp/ accommodation manager will ensure that rooms/dormitories and sanitary facilities are in good working condition. This will include general maintenance, preventative maintenance and quality assurance	Camp Manager Health, Environment,	Hotel General Manager Guest and

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Management Component	Management Commitments and Steps	Camp: Single/Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
		Safety and Security Manager Health and Safety Manager Quality Assurance Manager Security Manager	Company Relations (Health, Environment, Safety and Security Manager) (Health and Safety Manager) (Quality Assurance Manager) (Security Manager)
Other	Workers' Rights – Staff living in the camp will have 24 hour access to their accommodation. The freedom of movement is guaranteed and will only be restricted based on sound security concerns. Confiscation of any identity documentation or passport will not be permitted. All employees will enjoy unbridled freedom of association. Trade Union officials will be permitted access to workers in the accommodation site. Workers' gender and religious, cultural and social backgrounds will be respected. The ability to celebrate religious holidays and observances will be ensured. Access to Information – Official publications, the COC and SOPs will be used to make workers aware of their rights and obligations. Publications and notices will be in Armenian and English. Non-discrimination – The COC, SOPs and other documents containing rules, regulations will not be discriminatory in any way. Where strict rules are required	Camp Manager Accommodations Service Manager	Hotel General Manager

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	to ensure the effective management of the accommodation or related facilities and to maintain a good relationship with the surrounding communities, any justifiable discriminatory rules will be strictly limited to the context. Harmful consumption – All rules regarding the use of alcohol and tobacco, third part access to the accommodation and behaviour will be clearly communicated to all residents and workers. Employee Induction - There will be a policy and manual guiding induction of all new employees who will use Project accommodation. HR Policies & Procedures Manual - Employee Job Descriptions – The COC will be referred to in all staff Job Descriptions and Contracts.		
Grievances	Disciplinary procedure - A fair and non-discriminatory procedure for disciplinary procedures including the right of workers to defend themselves. Workers subjected to disciplinary proceedings arising from behaviour in the accommodation will have access to a fair and transparent hearing with the possibility to contest decisions and refer the dispute to independent arbitration or relevant public authorities. In cases where conflicts between workers themselves or between workers and staff emerge, workers will have the possibility of easily accessing a fair conflict resolution mechanism. In serious cases of conflict, where physical or mental abuse occurs, there will be mechanisms to ensure full cooperation with the police authorities. Grievance procedure - Workers and members of the surrounding communities have specific means to raise concerns about accommodation management, security arrangements and staff. The Project Grievance Procedure will be	Mine Grievance Officer	Mine Grievance Officer

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Management Component	Management Commitments and Steps	Camp: Single/ Married Quarters Responsible	Off site - Hotel Responsible (brackets indicate in association with Lydian staff)
	disclosed to communities. Mechanisms for consultations around workers' accommodation will be designed and implemented. Processes and mechanisms for workers to articulate their grievances will be in accordance with PS2/PR2.		

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4.2 ORGANISATIONAL FRAMEWORK, RESOURCES AND RESPONSIBILITIES

The organizational framework, resources and responsibilities for the WAMP is presented in

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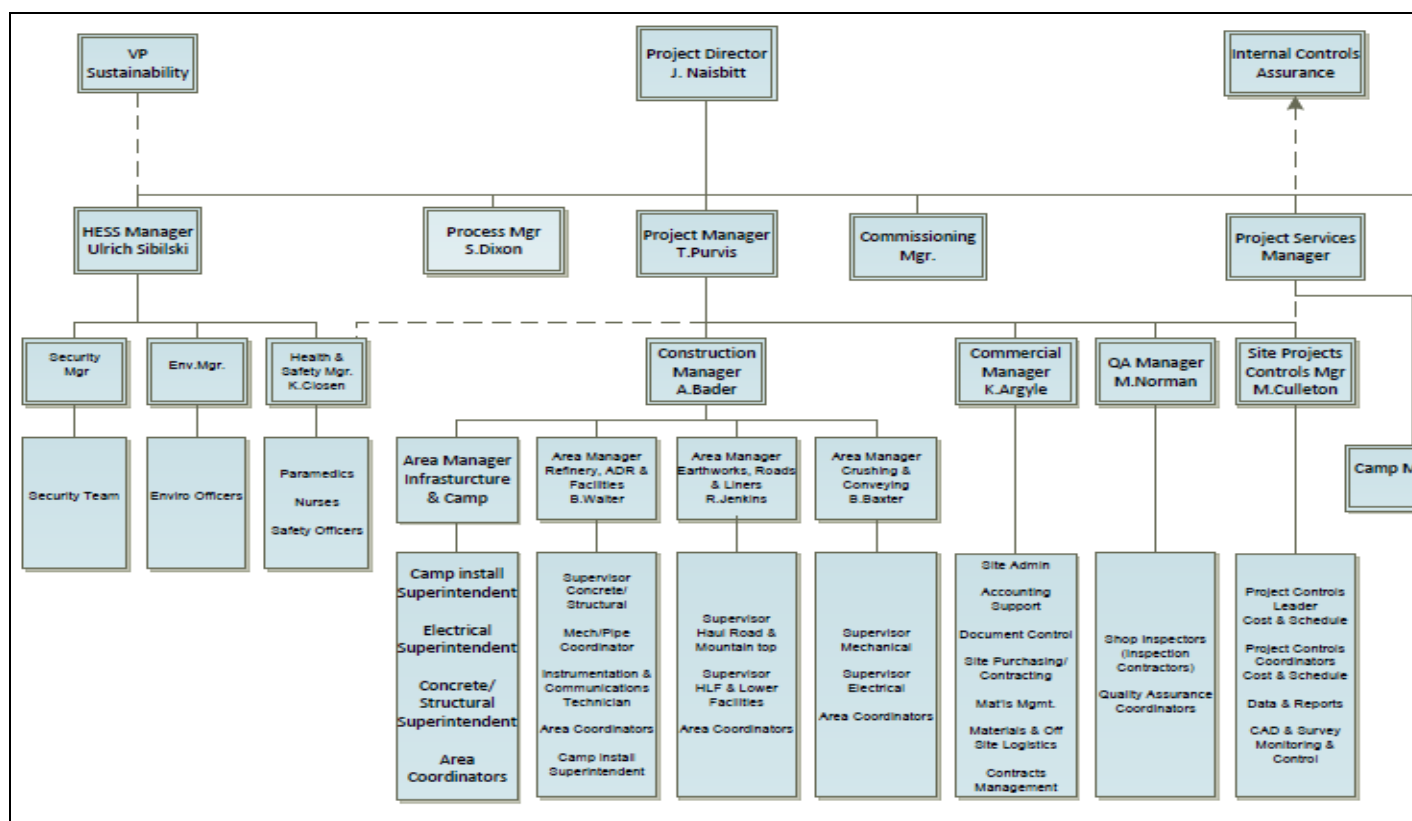


Figure 8 below. The collective responsibility for the WAMP lies with Lydian Executive Vice President, Geoteam Managing Director, Sustainability and Permitting Senior Manager, Social Development Manager and supported by the Public Relations Manager and the CLO.

The team in charge of the WAMP is accountable to the Chief Executive Officer (CEO) of Lydian and ultimately to the Board of Directors.

Once installed and functional, the Camp Manager (CM) will be accountable for Camp operations and hoteling services, including developing the processes and procedures required. The CM will be accountable to the Geoteam Project Services Manager (PSM) who is the lead for Geoteam on commercial and project controls. The CM will report to the PSM and have a direct interface with the Construction Team's Commercial Manager (ComM). The ComM will participate in the planning and design of the camp. The Engineering Manager will have the lead role to complete the design details and procurement packages for tender.

The ComM will be accountable for acquiring the camp and related infrastructure in accordance with the engineering requirements. The ComM, in conjunction with the Social Manager will look for ways to identify and use local service and commodity providers as much as is practicable for an operation of this size.

The Infrastructure Manager, along with his Camp Superintendent (CS) will plan and execute the installation of the camp. They will also lead the effort to upgrade any hotel accommodations we might use to comply with the IFC/EBRD Worker Guidelines. The CS will be accountable for establishing the camp and is responsible to the Adsorption-Desorption-Recovery. An Area Manager for Infrastructure will be accountable for camp establishment and upgrading of hotels and general infrastructure.

All of this will be coordinated with HESS Manager and his team in all phases to ensure compliance with the requirements and commitments we have made.

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The CLO's main functions around worker accommodation are:

- ongoing liaison with all stakeholders involved in worker accommodation, specifically worker accommodation management
- close engagement with communities and sectors affected by worker accommodation facilities
- publicity and communication, research through administering surveys and studies by questionnaire, data collection and capture
- oversee performance of local Social Assistants and the operations of Gndevaz AIC;
- work with village Mayors to promote Project-related information dissemination and data collection related to worker accommodation issues and opportunities
- oversee community development programs related to worker accommodation with partners.

On the ground activities and monitoring of worker accommodation is the responsibility of the Local Community Assistants (LCA).

Any suggestions related to worker accommodation, Geoteam's activities, as well as grievances, can be sent to:

Address: Hanrapetutyan 37, 4th floor

Yerevan, 0010, Armenia

Tel: + 374 10 58 60 37

Fax: + 374 10 54 60 37

Email: info@geoteam.am

Contact person: Aram Parunakyan, Community Liaison Officer

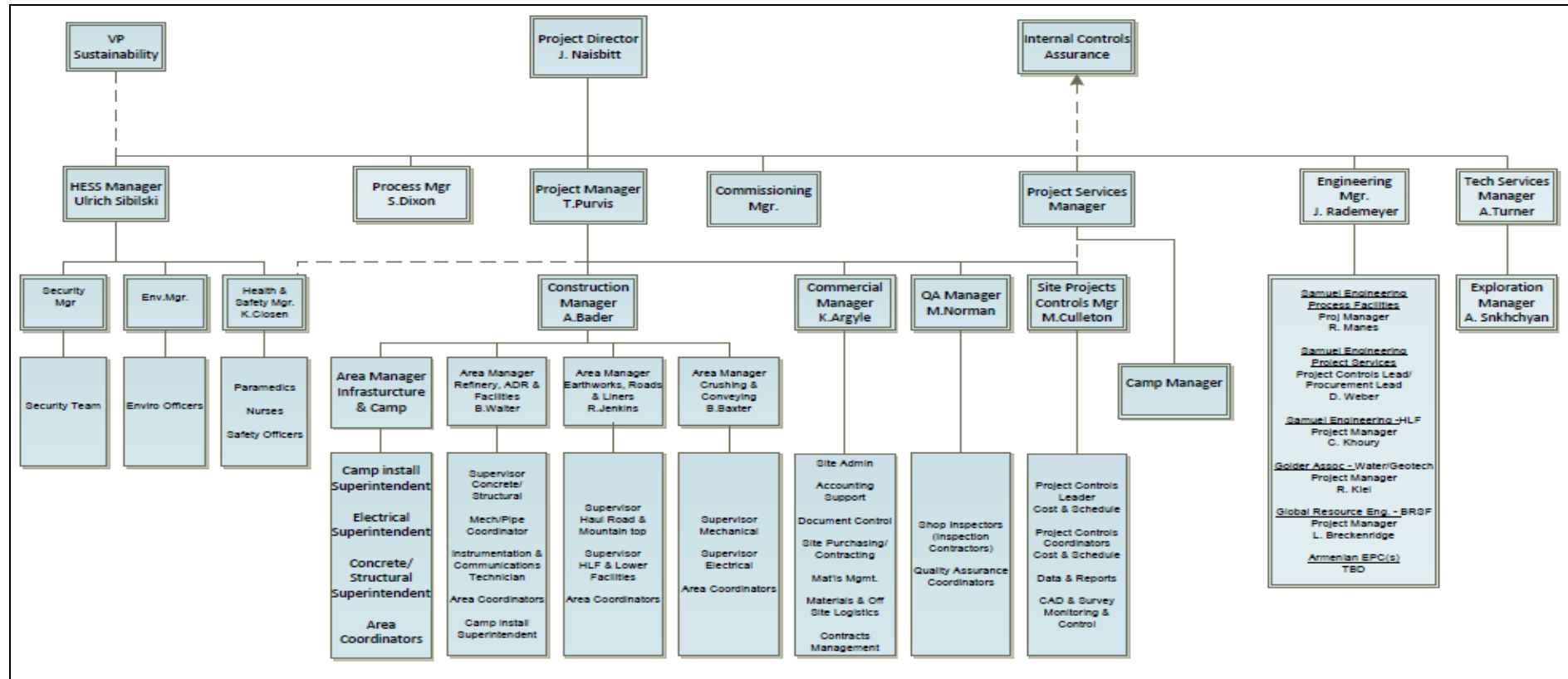


Figure 8: Organization Structure for Implementation of the WAMP

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4.3 WORK PLAN AND SCHEDULE

A preliminary work plan for the implementation of the WAMP will be developed once the WAMP is approved. The work plan will be revised quarterly.

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5 MANAGEMENT OF GRIEVANCES

The grievance mechanism is a formal procedure through which communities and individuals affected by Geoteam's activities can formally communicate their specific concerns and grievances to the company and facilitate resolutions that are mutually acceptable by the parties and within a reasonable timeframe. The grievance procedure may be used by anyone without any concern or fear of retribution.

All stakeholders are encouraged to submit written grievances to the CLO, LCAs or leave their grievances in Grievance Boxes in the four communities, located in public areas close to local government offices, or other public sites accessible and visible to population. Where contractors do not have their own grievance mechanism, the Geoteam grievance mechanism will be used by those Contractors.

The Grievance mechanism is elaborated and posted on the Geoteam website in Armenian and English, allowing anyone to convey their grievance on-line; and was communicated with communities through the Geoteam Community Newsletter published in March-April 2013 and through discussions in the CLCs. The mechanism provides details on timing for grievances starting from filing the grievance, to then taking actions by the Company within certain time period. The CLO handles the grievances with the help of the four local Assistants; and Social Manager who then logs all grievances (and other requests collected from the Grievance boxes from 4 communities) in the social management system which forms part of the ESMS. CLO, Social Development manager or respective head of a department (responsible for the given area, for example, health and safety), follow on the grievances with or without the contractors (as applicable) and take respective actions,

Printed hard copies of the Grievance Mechanism are available in the AIC for people's use; and the four LCAs have been guided to properly collect grievances from community members.

Stakeholders outside the area of influence can obtain knowledge of and access to the grievance mechanism from Geoteam website; Gndevaz AIC, as well request information from CLO or other Geoteam staff.

All formal grievances will receive a formal written reply within ten (10) working days. In all cases the Company will state the date of the resolution. The final response will provide additional information or, if appropriate, further instructions on proposed measures to resolve the issues. The company will make concerted efforts to resolve grievances amicably; yet, if a grievance cannot be resolved, Geoteam will seek to involve other external experts, neutral parties or local and regional authorities, as necessary.

Written grievances may be submitted with the form (Figure 9) or by including the following information in a letter or e-mail:

- Name
- Organisation and position, if relevant
- Address
- Telephone/Fax and e-mail
- Most effective means to send a response and
- Details of the grievance (any important details; date of the incident, location, etc.)

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Name		
Organisation/Position		
Address:	Telephone/Fax:	
	E-mail:	
Most effective means to send a response:		
Details of the grievance (any important details; date of incident, location, etc.):		

Figure 9: Grievance Submission Form

The Grievance management system is guided by the following principles:

- Accessible and easy to use
- Transparent and accountable
- Warrant appropriate protection to complainants through a commitment to keeping grievances confidential.

Geoteam will apply the following principles in respect of grievance management and redress in the context of the Amulsar Project:

- Any grievance will be registered, acknowledged receipt of within 7 calendar days of its receipt, responded to within 30 calendar days of its receipt, and tracked until it is closed
- The grievance management arrangement will include two tiers of extra-judicial, amicable review and settlement, with the first one internal to the implementing agency, and the second one either fully external or as a minimum with involvement of external parties; the third tier of the mechanism is the judicial system
- The overall objective is to avoid resorting to the formal judicial system for as many grievances as possible.

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6 MONITORING AND REPORTING

Lydian is, and will continue, monitoring in order to evaluate the effectiveness of the WAMP.

The Health, Environment, Safety and Security and Social teams will be involved in monitoring independently. Objectivity will be promoted since the Camp Manager is accountable to the Geoteam Project Services Manager, while the Camp Superintendent is accountable to the Adsorption-Desorption-Recovery Area Manager in a separate line function. All required information and data on camp monitoring and reporting will be forwarded to the Senior Manager Health, Environment, Safety and Security a monthly basis.

Detailed monitoring systems will be developed once the operating procedures and processes for the camp (set out in Section 4) have been developed. These in turn are dependent on the start date for the construction of the worker camp.

Monitoring methods will include: entry and exit surveys, structured and semi-structured interviews with key stakeholders, local and regional statistics and records of community events. Participatory monitoring may also be implemented in some cases (e.g. infrastructure projects).

6.1 INTERNAL MONITORING

Internal monitoring will be performed by:

- Lydian's internal staff, led by the Social Development Manager
- Lydian's partner organisations who will each have their monitoring and evaluation plans including regular site visits, progress and financial reports and end of Project evaluations.

6.2 EXTERNAL EVALUATION

The WAMP will be periodically evaluated by the senior management of Geoteam and Lydian, assisted by the social development team (Social Development Manager, CLO and Local Community Assistants).

A three-yearly evaluation will be conducted by an external consultant for quality management, verification and assurance purposes using a perception survey, which uses the same set of questions over time to achieve continuity. Analysis of the survey will be presented to the Geoteam management. The first survey will be conducted during the exploration period to provide a baseline for community perceptions.

6.3 INDICATORS

The Project will develop a set of indicators to use for monitoring and evaluation.

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6.4 REPORTING

Grievances will be reported on a weekly and monthly basis. The results of monitoring and evaluation will be presented to Lydian management and Board of Directors on a quarterly basis. A summary of the results will be provided for the annual report.

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7 SUPPORTING DOCUMENTS

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Appendix A **Report on Hygienic Norms and Sanitary Rules** **Prescribed in RA Legislation Regarding the Sanitary** **Accommodations and the Safe Working Conditions** **of Employees**

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To: Geoteam CJSC

From: Investment Law Group LLC

Date: April 14, 2016

1. RA Government Decree N 51-N On Approval of Technical Regulation On Safe Operation of Open Pit Mines –adopted 1 January, 2010

According to the Technical regulation on safe operation of open pit mines (hereinafter Regulation) the requirements mentioned in it are applicable for all the companies (including foreign) who perform opencast mining of mines regardless of their organizational-legal forms.

While operating mining works in open pit mines, the Companies should have not only mining permit but also an action plan on performance of requirements of norms and sanitary regulation on health care of employees.

Demonstrative products about technical security should be placed on the buildings of the open pit mine, in areas where people gather and as well as across the movement routes. These are appropriate signboards, signs, posters, permitting and prohibiting warning posters /bills/ with the meaning of which all the employees of the open pit mine should be acquainted with.

Dangerous areas of mountain cuttings of the open pit mine should be lit with electric lights during the hours of darkness.

Each working place of the open pit mine must be fully examined by the employer and employee before the shift and after the employer gives written order. It is prohibited to give any order for the workplaces when there are violations of technical safety requirements.

It is prohibited for the employees of the open pit mine to have a rest or engage in other activities directly in pits, near the mine steps or slopes, also on working machinery and transport routes.

Before the operation of the machinery and the movement of vehicles it is mandatory to give sound and light signals that should be audible (visible) to all employees in their action zone.

In open pit mines where inflammable minerals are extracted, it is necessary to provide for special precautions and fire prevention measures. Moreover, in case of fire all activities must be stopped and the authorities and firefighting and mountain rescue services should be informed.

Comfortable and safe passageways must be established for the movement of people.

If the open pit mines, where the activities are carried out, are more than 2.5 km away from the places where people live, the employees should get to the workplace by transport vehicles equipped with comfortable seats.

There is a separate chapter regulating the requirements of the employees' health. Particularly, it is stated in the sub charter of prevention activities of effects of the industrial harmful factors that as a general rule the requirements for ensuring the health and safety of employees are established by sanitary rules and norms, hygienic standards /rules/ and other legal acts of the Republic of Armenia.

All the employees of the open pit mines are subject to mandatory medical examination in accordance with the requirements of the Government Decree N 1689-N dated 15 July, 2004.

Control over the implementation of sanitary rules and norms by the employer is executed by the appropriate bodies of the Ministry of Health.

In case of insufficient amount of oxygen or existence of the harmful gases in boreholes and wells all activities are to be made by gas-masks with flexible hose.

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If annual dose of radiation exceeds 1 mSv, the open pit mines are considered as objects of radiation hazard and radiation safety requirements should be applied. Open pit mines with radiation danger should have a radiation safety program. The quality assurance program should also be exercised.

The operating company should ensure the training of personnel on radiation safety and implement measures to permit the execution of dangerous radiation activities.

If in certain parts of the mine it is possible the accumulation of radioactive impurities exceeding the maximum permissible level, then it is needed to conduct an artificial ventilation in that areas in accordance with the radiation safety norms and rules. It is also prescribed that in open pit mines that contain radioactive materials the entry and exit of personnel working in the controlled area should be carried out by radiological security checkpoints.

There is a sub charter stating the requirements on household sanitary accommodations. In particular, it is prescribed that it is planned to build household sanitary accommodations by each or several open pit mines. These buildings should have separate departments for men and women. Among the household sanitary accommodations there should be locker room, drying room, bathrooms, shower room, laundry, washing and cleaning room for work clothing and shoe repair, crockery, feminine hygiene room, first aid products.

It is stated in the Regulation that household sanitary accommodation, catering objects, first aid post must be placed on the windward side, at least 50 meters from the open storages of the ore but not 500 meters away from the main industrial buildings.

The administration of the open pit mine is obliged to provide all employees with the necessary quantity of [high-quality](#) potable water. The potable water of the open pit mine regularly shall be subjected to chemical and bacteriological analysis during the terms defined in standards.

In each zone of the open pit mine special facilities must be built not more than 300 meters away from the workplaces with the aim of heating in winter as well as protect employees from the rain. These facilities must be equipped with own water supply system and the temperature should be no lower than 20°.

The list of the requirements mentioned above is not is not exhaustive, there are additional technical standards regarding security and mechanization of mining operations, as well as the communication signalling and illumination.

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2. RA Government Decree N 1277-N On Approval of Technical Regulation On Safety Rules of Smashing, Assortment and Enrichment of Minerals--adopted 29 October, 2009

The requirements of this Regulation are applicable for all the companies (including foreign) who perform such activities as smashing, assortment and enrichment of minerals regardless of their organizational-legal forms.

Objects of smashing, assortment and enrichment of minerals are subject to registration in the list of hazardous industrial facilities in accordance with the RA law "On State regulation of ensuring technical safety". Besides, the mentioned law prescribes the procedure of designing, construction, operation, conservation and liquidation of factories for enrichment of minerals.

Among the household sanitary accommodations there should be locker room, drying room, bathrooms, shower room, laundry, washing and cleaning room for work clothing and shoe repair, crockery, inhalatorium, feminine hygiene room, first aid products.

It is stated in the Regulation that household sanitary accommodation, catering objects, first aid post must be placed on the windward side, at least 50 meters from the open storages of the extracted ore, but not 500 meters away from the main industrial buildings.

Based on the order N 82-N dated 01.10.2001 of the Minister of Urban Development all household sanitary accommodations should have absorbent stretch ventilation which will provide with maximum permissible quantity of impurities accumulation in the air.

By the order of the management of the factory a person should be appointed responsible for technical maintenance, particularly for keeping in a good condition and operation of the household sanitary accommodations.

In the main departments of the factory, as well as in locker rooms of the showers there should be appropriate measures for first aid along with persons trained for its arrangement of such activities.

The potable water of the factory regularly shall be subjected to chemical and bacteriological analysis during the terms defined in standards. And it is mandatory for the staff who provides service for the potable water system to undergo regular medical examination.

Control over the quality of the potable water and compliance of the household sanitary accommodations with the requirements of Regulation is executed by the authorized bodies of the company while state inspection is carried out by the appropriate state bodies.

Apart the above mentioned, there are a lot of requirements defined in the Regulation regarding the technical safety rules, such as requirements for safe operation of technical equipment, for packaging and sampling the products, for smashing, assortment and enrichment of the mine and others.

3. Order of the Ministry of Health N 138 dated 06.03.2002 on approval of the Sanitary norms "The noise level in workplaces, residential and public buildings and residential construction areas"

Sanitary norms are mandatory for all legal and physical persons in the Republic of Armenia. They define classification of noise, standardized parameters and maximum permissible level of the noise in workplaces, residential, public buildings residential construction areas.

By temporal characterization of the noise it can be constant or changeable.

Classification of noises influencing on human beings, standardized parameters and maximum permissible level of noise in workplaces are prescribed in these norms in detail. It is also regulated the process of organization and implementation of noise measurement as well as summary of the measurement results. There are special formulas for determining average value of the sound levels, for calculation of equivalent and maximum levels of voice and others.

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4. Order of the Minister of Health N 15-N dated 19.09.2012 on approval of the Sanitary rules and norms of “Sanitary conditions of the employees in organizations”

This order provides hygienic requirements for the employees’ household sanitary accommodations. The rules regulate the installation, design, construction and operation of such buildings.

As a general rule composition and equipment of sanitary accommodations depend on the nature of harmful conditions in the companies, their qualitative and quantitative characteristics and the duration of the impact. There should be separate accommodations for men and women that are subject to a cleaning and disinfection.

There are also specific standards for sanitary facilities that are locker room, shower room, bathroom and recreation room.

Regarding on the condition whether there exist or not harmful and hazardous production environment and it is hard and tension working process in the company the locker rooms are furnished with open wardrobes or with double wardrobes with lockable doors according to the number of persons working in the biggest shift. And it is mentioned that it must be heating and natural ventilation in the locker rooms.

The standards for the showers are the following: natural ventilation is carried out, the maximum number of showers is 30 and it is stated that there should be one shower for every 7 people.

As for bathrooms, then they should be placed not more than 50 meters away between the workplaces and in case of multi-storey companies there may be bathrooms in each floor.

5. Order of the Minister of Health N 163-N dated 16.02.2006 on approval of the “Hygienic norms in the working zone air and atmospheric air”

This order prescribes the maximum permissible density of rhenium in working zone air. In addition, it also establishes the lump sum and average daily maximum permissible density of Molybdenum and its compounds, as well as Potassium Perrhenate in the atmospheric air.

6. Order of the Minister of Health N 252-N dated 13.03.2006 on approval of the “Hygienic norms of electrostatic field intensity in workplaces”

These norms define the impact of the hygienic requirements of electrostatic fields in case of designing, reconstruction, construction and operation of all types of technical means that serve as a source of the electrostatic fields in the workplace.

Apart from the maximum permissible levels of electrostatic fields in the workplaces this order also sets the employers’ protective measures from the impact of the electrostatic fields

Control over the implementation of these norms is executed by the Ministry of Health.

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7. Order of the Minister of Health N 374-N dated 10.04.2006 on approval of the “Hygienic norms of electromagnetic field of industrial frequency (50Hz) in workplaces”

These norms regulate the impact of the hygienic requirements of 50Hz industrial frequency of electrostatic fields in case of designing, reconstruction, construction and operation of all types of technical means that serve as a source of the electrostatic fields in the industrial organizations.

Particularly the maximum permissible levels of electromagnetic field of 50 Hz frequency and the employers' protective measures (individual and collective) from the impact of the electrostatic fields with 50 Hz industrial frequency are also prescribed.

Control over the implementation of these norms is also executed by the Ministry of Health.

8. Order of the Minister of Health N 490-N dated 11.05.2006 on approval of the “Hygienic norms of infrasound in workplaces”

The norms of this order set regulation standards of infrasound in the workplaces as well as maximum permissible levels of the infrasound while the operation of devices, equipment, machinery and mechanisms that serve as a source for infrasound.

Based on the spectrum the infrasound is classified as broad-band and tinted. And depending on time the infrasound is classified between permanent and temporary.

Regulation standards for both permanent and temporary infrasound are determined by specific formulas mentioned in the Order.

9. Order of the Minister of Health N 533-N dated 17.05.2006 on approval of the “Hygienic norms of vibration in workplaces, residential and public buildings”

According to this Order the vibration is classified into two types: local and general. It is also prescribed the standards of vibration that are speed and acceleration.

The maximum permissible level of local and general vibration, as well as maximum permissible level of vibration in residential buildings, wards and rest houses, in public buildings are stated in different tables.

Besides, the methods of measurements of vibration are also provided along with organization and implementation of such measurement, its process and assessment of results.

10. Order of the Minister of Health N 614-N dated 02.06.2006 on approval of the “Hygienic norms of ultrasound in workplaces”

Based on definition stated in these norms the ultrasound is a sound vibration in octave layers between the 8000 to 31500 kHz frequency. They can be two types: touching and airborne ultrasound.

The maximum permissible level of ultrasound (in case of worktime, not more than 40 hours per week) should not cause diseases or deviations of health condition that are discovered by modern survey methods during the entire period of work experience and during the life of current and next generation's.

Based on the frequency spectrum the ultrasound is classified:

- low frequency ultrasound- 8-63 kHz
- medium frequency ultrasound- 125-250 kHz
- high frequency ultrasound- 0,5-31,5 MHz

The norms also state the protective means from the ultrasound. Among them it provides to limit the direct contact with the source of the ultrasound, to remote control of such sources, to block

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automatically the sources of ultrasound during the performance of other ancillary operations. The listed means are not exhaustive, there are also others set in this Order.

11. Order of the Minister of Health N 01-N dated 24.01.2012 on approval of the “Hygienic norms of “The maximum permissible concentration of dimetilviniletinilcarbinol in the working zone air”

Apart from prescribing the maximum permissible level of dimetilviniletinilcarbinol in the working zone air these hygienic norms also define the aggregate condition of chemical substance and its hazard classes.

12. Order of the Minister of Health N 01-N dated 24.01.2012 on approval of the Sanitary rules and norms “The maximum permissible concentrations of chemical substances in the working zone air of the workplaces of the organizations”

These sanitary norms and rules define the maximum permissible concentration of chemical substances in the working zone air of the workplace of the organizations, the hazard classes of chemical substances and possible harmful effects on the organism of employees, mainly fibrinogen, allergenic, carcinogenic, acute and total effects appropriate with tables from 1 to 5.

Appendix 1 of the Order also set the rules of the examination of the working zone air and implementation of its sampling.

13. Order of the Minister of Health N 756-N dated 15.09.2005 on approval of the “Sanitary rules and norms of “Hygienic classification of work according to harmful and dangerous factors of the production environment, indicators of gravity and tension of work activity”

These norms define such terms as occupational hygiene, working conditions, harmful production factors, dangerous production factors, hygienic standards of working conditions, professional risk, occupational disease, hygiene standards and others.

There is a separate chapter on general hygiene requirements on productive organizations and buildings. In particular, it is set that the volume of productive building comprises at least 15m³ per employee. Moreover, the height of the building should be not less than 3 m and working area must be at least 5m². Heating, ventilation and air-conditioning are carried out in productive buildings. In the productive buildings with permanent and non-permanent employment artificial, natural and / or combined lighting is ensured. Lighting parameters are set in Table 15 of that document.

Based on the hygienic standards, working conditions are divided into 4 categories: optimal, permissible, harmful and dangerous. The work is dangerous (extreme) working conditions is prohibited, except in cases stipulated by the legislation.

We would like to inform you that requirements on sanitary rules and hygienic norms listed in this report are not exhaustive. However, these are the most common standards for safe working conditions of employees prescribed in all above mentioned documents.

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Appendix B **Summary of IFC/EBRD Standards for and** **Management of Workers' Accommodation (IFC/** **EBRD 2009)**

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Principle	Aspect	Benchmark
A. Standards for Workers' Accommodation		
1. National/ Standards	Local 1.1 National and Local Standards	1.1.1 Relevant national and local regulations have been identified and implemented.
2. General Facilities	Living 2.1 General Facilities	2.1.1 Living facilities are located to avoid flooding and other natural hazards. 2.1.2 Where possible, living facilities are located within a reasonable distance from the worksite. 2.1.3 Transport from the living facilities to worksite is safe and free. 2.1.4 The living facilities are built with adequate materials, kept in good repair and kept clean and free from rubbish and other refuse.
	2.2 Drainage	2.2.1 The building site is adequately drained to avoid the accumulation of stagnant water
	2.3 Heating, Air Conditioning, Ventilation and Light	2.3.1 Facilities located in cold weather zones, the temperature is kept at a level of around 20 degrees Celsius notwithstanding the need for adequate ventilation. 2.3.2 For facilities located in hot weather zones, adequate ventilation and/or air conditioning systems are provided. 2.3.3 Both natural and artificial lighting are provided and maintained in living facilities. It is best practice that the window area represents not less than 5 percent to 10 percent of the floor area. Emergency lighting is provided.
	2.4 Water	2.4.1 Access to an adequate and convenient supply of free potable water is always available to workers. Depending on climate, weather conditions and accommodation standards, 80 to 180 litres per person per day are available. 2.4.2 Drinking water meets national/local or WHO drinking water standards. 2.4.3 All tanks used for the storage of drinking water are constructed and covered as to prevent water stored therein from becoming polluted or contaminated. 2.4.4 Drinking water quality is regularly monitored.
	2.5 Waste Water and Solid Waste	2.5.1 Wastewater, sewage, food and any other waste materials are adequately discharged, in compliance with local or World Bank standards – whichever is more stringent – and without causing any significant impacts on camp residents, the biophysical environment or

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Principle	Aspect	Benchmark
		surrounding communities. 2.5.2 Specific containers for rubbish collection are provided and emptied on a regular basis. Standards range from providing an adequate number of rubbish containers to providing leak proof, non-absorbent, rust and corrosion-resistant containers protected from insects and rodents. In addition it is best practice to locate rubbish containers 30 metres from each shelter on a wooden, metal, or concrete stand. Such containers must be emptied at regular intervals (to be determined based on temperatures and volumes generated) to avoid unpleasant odours associated with decaying organic materials. 2.5.3 Pest extermination, vector control and disinfection are carried out throughout the living facilities in compliance with local requirements and/or good practice. Where warranted, pest and vector monitoring should be performed on a regular basis.
3. Room/ Dormitory Facilities	3.1 General Rooms/ Dormitories	3.1.1 Rooms/dormitories are kept in good condition. 3.1.2 Rooms/dormitories are aired and cleaned at regular intervals. 3.1.3 Rooms/dormitories are built with easily cleanable flooring material. 3.1.4 Sanitary facilities are located within the same buildings and provided separately for men and women. 3.1.5 Density standards are expressed either in terms of minimal volume per resident or of minimal floor space. Usual standards range from 10 to 12.5 cubic metres (volume) or 4 to 5.5 square metres (surface). 3.1.6 A minimum ceiling height of 2.10 metres is provided. 3.1.7 In collective rooms, which are minimised, in order to provide workers with some privacy, only a reasonable number of workers are allowed to share the same room. Standards range from 2 to 8 workers. 3.1.8 All doors and windows should be lockable, and provided with mosquito screens where conditions warrant. 3.1.9 There should be mobile partitions or curtains to ensure privacy.

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Principle	Aspect	Benchmark
		3.1.10 Every resident is provided with adequate furniture such as a table, a chair, a mirror and a bedside light. 3.1.11 Separate sleeping areas are provided for men and women, except in family accommodation.
	3.2 Bed Arrangements and Storage Facilities	3.2.1 A separate bed for each worker is provided. The practice of “hot-bedding” should be avoided. 3.2.2 There is a minimum space between beds of 1 metre. 3.2.3 Double deck bunks are not advisable for fire safety and hygiene reasons, and their use is minimised. Where they are used, there must be enough clear space between the lower and upper bunk of the bed. Standards range from 0.7 to 1.10 metres. 3.2.4 Triple deck bunks are prohibited. 3.2.5 Each worker is provided with a comfortable mattress, pillow, cover and clean bedding. 3.2.6 Bed linen is washed frequently and applied with repellents and disinfectants where conditions warrant (malaria). 3.2.7 Facilities for the storage of personal belongings for workers are provided. Standards vary from providing an individual cupboard for each worker to providing 475 litre big lockers and 1 metre of shelf unit. 3.2.8 Separate storage for work boots and other personal protection equipment, as well as drying/airing areas may need to be provided depending on conditions. 3.2.9 Irrespective of whether workers are supposed to keep their facilities clean, it is the responsibility of the accommodation manager to ensure that rooms/dormitories and sanitary facilities are in good condition.
4. Sanitary and Toilet Facilities	4.1 General Sanitary and Toilet Facilities	4.1.1 Sanitary and toilet facilities are constructed of materials that are easily cleanable. 4.1.2 Sanitary and toilet facilities are cleaned frequently and kept in working condition. 4.1.3 Sanitary and toilet facilities are designed to provide workers with adequate privacy, including ceiling to floor partitions and lockable doors. 4.1.4 Sanitary and toilet facilities are not shared

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Principle	Aspect	Benchmark
		between men and women, except in family accommodation.
	4.2 Toilet Facilities	4.2.1 An adequate number of toilets is provided to workers. Standards range from 1 unit to 15 persons to 1 unit per 6 persons. For urinals, usual standards are 1 unit to 15 persons. 4.2.2 Toilet facilities are conveniently located and easily accessible. Standards range from 30 to 60 metres from rooms/dormitories. Toilet rooms shall be located so as to be accessible without any individual passing through any sleeping room. In addition, all toilet rooms should be well-lit, have good ventilation or external windows, have sufficient hand wash basins and be conveniently located. Toilets and other sanitary facilities should be ("must be" in cold climates) in the same building as rooms and dormitories.
5. Canteen, Cooking and Laundry Facilities	5.1 General Canteen, Cooking and Laundry Facilities	5.1.1 Canteen, cooking and laundry facilities are built in adequate and easy to clean materials. 5.1.2 Canteen, cooking and laundry facilities are kept in a clean and sanitary condition. 5.1.3 If workers can cook their own meals, kitchen space is provided separate from sleeping areas.
	5.2 Laundry Facilities	5.2.1 Adequate facilities for washing and drying clothes are provided. Standards range from providing sinks or tubs with hot and cold water, cleaning soap and drying lines to providing washing machines and dryers. 5.2.2 When work clothes are used in contact with dangerous substance (for example, application of pesticide), special laundry facilities (washing machines) should be provided. 5.2.3 When workers are provided with facilities allowing them to individually do their laundry or cooking, it should be the responsibility of each worker to keep the facilities in a clean and sanitary condition. Nonetheless, it is the responsibility of the accommodation manager to make sure the standards are respected and to provide an adequate cleaning, disinfection and pest/ vector control service when necessary. 5.2.4 When the employer provides family accommodation, it is best practice to provide each family with a private kitchen or the necessary cooking equipment to allow the

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Principle	Aspect	Benchmark
		family to cook on their own.
	5.3 Canteen and Cooking Facilities	5.3.1 Canteens have a reasonable amount of space per worker. Standards range from 1 square metre to 1.5 square metres. 5.3.2 Canteens are adequately furnished. Standards range from providing tables, benches, individual drinking cups and plates to providing special drinking fountains. 5.3.3 Places for food preparation are designed to permit good food hygiene practices, including protection against contamination between and during food preparation. 5.3.4 Kitchens are provided with facilities to maintain adequate personal hygiene including a sufficient number of washbasins designated for cleaning hands with clean, running water and materials for hygienic drying. 5.3.5 Wall surfaces adjacent to cooking areas are made of fire-resistant materials. Food preparation tables are also equipped with a smooth durable washable surface. Lastly, in order to enable easy cleaning, it is good practice that stoves are not sealed against a wall, benches and fixtures are not built into the floor, and all cupboards and other fixtures and all walls and ceilings have a smooth durable washable surface. 5.3.6 All kitchen floors, ceiling and wall surfaces adjacent to or above food preparation and cooking areas are built using durable, non-absorbent, easily cleanable, non-toxic materials. 5.3.7 Wall surfaces adjacent to cooking areas are made of fire-resistant materials. Food preparation tables are equipped with a smooth, durable, easily cleanable, non-corrosive surface made of non-toxic materials. Lastly, in order to enable easy cleaning, it is good practice that stoves are not sealed against a wall, benches and fixtures are not built into the floor, and all cupboards and other fixtures have a smooth, durable and washable surface. 5.3.8 Adequate facilities for cleaning, disinfecting and storage of cooking utensils and equipment are provided. 5.3.9 Food waste and other refuse are to be adequately deposited in sealable containers

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Principle	Aspect	Benchmark
		and removed from the kitchen frequently to avoid accumulation. 5.3.10 When workers are provided with facilities allowing them to individually do their laundry or cooking, it should be the responsibility of each worker to keep the facilities in a clean and sanitary condition. Nonetheless, it is the responsibility of the accommodation manager to make sure the standards are respected and to provide an adequate cleaning, disinfection and pest/ vector control service when necessary.
6. Nutrition and Food Safety	6.1 Nutrition and Food Safety	6.1.1 The WHO 5 keys to safer food or an equivalent process is implemented. 6.1.2 Food provided to workers contains an appropriate level of nutritional value and takes into account religious/cultural backgrounds; different choices of food are served if workers have different cultural/ religious backgrounds. 6.1.3 Food is prepared by cooks. It is also best practice that meals are planned by a trained nutritionist.
7. Medical Facilities	7.1 First Aid and Other Medical Facilities	7.1.1 A number of first aid kits adequate to the number of residents are available. 7.1.2 First aid kits are adequately stocked. Where possible a 24/7 first aid service/facility is available. 7.1.3 An adequate number of staff/workers is trained to provide first aid. 7.1.4 Where possible and depending on the medical infrastructures existing in the community, other medical facilities are provided (nurse rooms, dental care, minor surgery).
8. Leisure, Social and Telecommunication	8.1 Leisure, Social and Telecommunication Facilities	8.1.1 Basic collective social/rest spaces are provided to workers. Standards range from providing workers multipurpose halls to providing designated areas for radio, TV, cinema. 8.1.2 Recreational facilities are provided. Standards range from providing exercise equipment to providing a library, swimming pool, tennis courts, table tennis, educational facilities. 8.1.3 Workers are provided with dedicated places for religious observance if the context warrants. 8.1.4 Workers have access to public phones at

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Principle	Aspect	Benchmark
		affordable/public prices (that is, not inflated). 8.1.5 Internet facilities can also be provided, particularly where large numbers of expatriates/Third Country Nationals (TCNs) are accommodated.
B. Managing Workers' Accommodation		
1. Management and Staff	1.1 Management and Staffing	1.1.1 There are management plans and policies especially in the field of health and safety (with emergency responses), security, workers' rights, relationships with the communities. 1.1.2 An appointed person with the adequate background and experience is in charge of managing the workers' accommodation. 1.1.3 If contractors are being used, there are clear contractual management responsibilities and monitoring and reporting requirements. 1.1.4 Depending on the size of the accommodation, there is a sufficient number of staff in charge of cleaning, cooking and of general maintenance. 1.1.5 Such staff are recruited from the local communities. 1.1.6 Staff have received basic health and safety training. 1.1.7 Persons in charge of the kitchen are trained in nutrition and food-handling and adequately supervised.
2. Charging Fees for Accommodation and Services	2.1 User Fees	2.1.1 When fees are charged, workers are provided with clear information and a detailed description of all payments made such as rent, deposit and other fees. 2.1.2 When company housing is considered to be part of workers' wages, it is best practice that workers are provided with an employment contract clearly specifying housing arrangements and regulations, in particular rules concerning payments and fees, facilities and services offered and rules of notice. 2.1.3 When fees are charged, the renting arrangements are fair and do not cost the worker more than a small proportion of income and never include a speculative profit. 2.1.4 Food and other services are free or are reasonably priced, never above the local market price.

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Principle	Aspect	Benchmark
		2.1.5 The provision of accommodation or other services by employers as a payment for work is prohibited. 2.1.6 To avoid that fair renting arrangements turn into unfair ones, any deposit of advance should be set at a reasonable level and it is best practice that renting prices include a fixed fee covering the water needed and the use of the energy required to the functioning of the heating/cooling/ventilation/ cooking systems. However, in such cases it might be necessary to raise workers' awareness to ensure that workers will use the facilities responsibly, particularly in areas where water is scarce.
3. Health and Safety	3.1 Health and Safety on Site	3.1.1 Health and safety management plans including electrical, mechanical, structural and food safety have been carefully designed and are implemented. 3.1.2 The person in charge of managing the accommodation has a specific duty to report to the health authorities the outbreak of any contagious diseases, food poisoning and other important casualties. 3.1.3 An adequate number of staff/workers is trained to provide first aid. 3.1.4 A specific fire safety plan is prepared, including training of fire wardens, periodic testing and monitoring of fire safety equipment and periodic drills. 3.1.5 Guidance on the detrimental effects of the abuse of alcohol and drugs and other potentially harmful substances and the risk and concerns relating to HIV/AIDS and of other health risk-related activities is provided to workers. It is best practice to develop a clear policy on this issue. 3.1.6 Workers have access to adequate preventive measures such as contraception (condoms in particular) and mosquito nets. 3.1.7 Workers have easy access to medical facilities and medical staff. Where possible, female doctors/nurses should be available for female workers. 3.1.8 Emergency plans on health and fire safety are prepared. Depending on the local context, additional emergency plans are prepared as needed to handle specific occurrences

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Principle	Aspect	Benchmark
		(earthquakes, floods, tornadoes).
4. Security of Workers' Accommodation	4.1 Security of Workers' Accommodation	4.1.1 A security plan including clear measures to protect workers against theft and attack is implemented. 4.1.2 A security plan including clear policies on the use of force has been carefully designed and is implemented. 4.1.3 Security staff have been checked to ensure that they have not been implicated in any previous crimes or abuses. Where appropriate, security staff from both genders are recruited. 4.1.4 Security staff have a clear mandate and have received clear instruction about their duties and responsibilities, in particular their duties not to harass, intimidate, discipline or discriminate against workers. 4.1.5 Security staff have received adequate training in dealing with domestic violence and the use of force. 4.1.6 Security staff have a good understanding about the importance of respecting workers' rights and the rights of the communities. 4.1.7 Body searches are only allowed in specific circumstances and are performed by specially trained security staff using the least-intrusive means possible. Pat down searches on female workers can only be performed by female security staff. 4.1.8 Security staff adopt an appropriate conduct towards workers and communities. 4.1.9 Workers and members of the surrounding communities have specific means to raise concerns about security arrangement and staff.
5. Workers' Rights, Rules and Regulations	5.1 Workers' Rights, Rules and Regulations on Workers' Accommodation	5.1.1 Restriction of workers' freedom of movement to and from the site is limited and duly justified. It is good practice to provide workers 24/7 access to the accommodation site. Any restrictions based on security reasons should be balanced by the necessity to respect workers' freedom of movement. 5.1.2 Where possible, an adequate transport system to surrounding communities is provided. It is good practice to provide workers with free transportation to and from local communities.

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Principle	Aspect	Benchmark
		5.1.3 Withholding workers' ID papers is prohibited. 5.1.4 Freedom of association is expressly respected. Provisions restricting workers' rights on site should take into account the direct and indirect effect on workers' freedom of association. It is best practice to provide trade union representatives access to workers in the accommodation site. 5.1.5 Workers' gender and religious, cultural and social backgrounds are respected. In particular, workers should be provided with the possibility of celebrating religious holidays and observances. 5.1.6 Workers are made aware of their rights and obligations and are provided with a copy of the internal workers' accommodation rules, procedures and sanction mechanisms in a language or through a media which they understand. 5.1.7 Housing regulations, including those relating to allocation of housing, should be non-discriminatory. Any justifiable discriminatory rules – for example all-male dormitories – should be strictly limited to the rules which are necessary to ensure the smooth running of the worker camp and to maintain a good relationship with the surrounding communities. 5.1.8 Where possible, visitor access should be allowed. 5.1.9 Decisions should be made on whether to prohibit alcohol, tobacco and third party access or not from the camp and the relevant rules should be clearly communicated to all residents and workers. 5.1.10 A fair and non-discriminatory procedure exists to implement disciplinary procedures including the right of workers to defend themselves.
6. Consultation and Grievances	6.1 Consultation and Grievance Mechanisms	6.1.1 Mechanisms for workers' consultation have been designed and implemented. It is best practice to set up a review committee which includes representatives elected by workers. 6.1.2 Processes and mechanisms for workers to articulate their grievances are provided to workers. Such mechanisms are in accordance with PS2/PR2. 6.1.3 Workers subjected to disciplinary proceedings

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Principle	Aspect	Benchmark
		arising from behaviour in the accommodation should have access to a fair and transparent hearing with the possibility to contest decisions and refer the dispute to independent arbitration or relevant public authorities. 6.1.4 In case conflicts between workers themselves or between workers and staff break out, workers have the possibility of easily accessing a fair conflict resolution mechanism. 6.1.5 In cases where more serious offences occur, including serious physical or mental abuse, there are mechanisms to ensure full cooperation with the police authority (where adequate). 6.1.6 Alcohol is a complex issue and requires a very clear policy from the workers' accommodation management. If a non-alcohol policy is taken, special attention should be paid to clearly communicate the interdiction, how it applies and the consequences for breaching this rule. Special attention should also be paid to enforce it adequately.
7. Management of Community Relations	7.1 Management of Community Relations	7.1.1 1. Community relations plans addressing issues around community development, community needs, community health and safety and community social and cultural cohesion have been designed and implemented. 7.1.2 2. Community relations plans include the setting up of a liaison mechanism allowing a constant exchange of information and consultation with the local communities in order to identify and respond quickly to any problems and maintain good working relationships. 7.1.3 3. A senior manager is in charge of implementing the community relations management plan and liaising with the community. 7.1.4 The impacts of workers' accommodation on local communities are periodically reviewed, mitigated or enhanced. 7.1.5 Community representatives are provided with an easy means to voice their opinions and to lodge complaints. 7.1.6 There is a transparent and efficient process for dealing with community grievances, in

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Principle	Aspect	Benchmark
		accordance with PS1/PR10.



Appendix C

Summary of Impacts and Risks Pre-Mitigation and Post Mitigation - Hotels

SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Temporary Influx of Project Workers (occupying a considerable number of hotel beds), with potentially negative impact on traditional tourism	Construction	Construction phase Project workers take up part of the hotel capacity in the town of Jermuk, potentially affecting the availability of accommodations for more “traditional” visitors during the high tourist season.	Moderate Negative	It is proposed that hotels will be used selectively, and with reasonable limits on occupancy by the Project – in particular during the high tourist season. Specifically, two large hotels (Hotel A and Hotel L) would be used for 250 people and a number of smaller hotels for another 120 people. This means that no hotel would become completely unavailable to other visitors.	Minor Negative
	Operation	While this may represent a negative impact from the point of view of a segment of the tourism and hospitality sector, it is largely limited to the high tourist season (June to September and early January in Jermuk; May to October elsewhere) when hotels operate at close to full occupancy and the Project would be “competing” for beds with tourists.	Negligible		Negligible
	Closure		N/A		N/A
Change in Visitors’ perceptions of Jermuk as a “spa town”, with negative impact on traditional tourism	Construction	A considerable presence of the Project’s construction workforce in Jermuk (in addition to the presence of the mine itself nearby) may affect the “spa” character of the town and tourists’ perception of the destination – normally associated with fresh air, tranquil surroundings, and spa/medical treatments.	Major Negative	Minimize the number of workers housed in Jermuk hotels.	Moderate Negative
	Operation		Moderate Negative	Support tourism. development efforts.	Minor Negative
	Closure	Although this change in perceptions is an impact of a qualitative nature, it may in the medium to long-term lead to other, more tangible, effects such as reductions in the numbers of visitors.	Negligible	Enforce Code of Conduct.	Negligible

SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Change in Local Residents' Perceptions of Own Community (Sense of Place)	Construction	The presence of a construction workforce (and the mine nearby) may affect how local residents perceive their own community. This may include sense of place and perceptions of safety in the community. This is a qualitative effect, and may have some positive aspects if residents associate the presence of a mining project with increased employment and other opportunities for local people.	Moderate Negative	Frequent and proactive communication with local community stakeholders.	Minor Negative
	Operation		Minor Negative	Enforce Code of Conduct.	Negligible
	Closure		N/A		N/A
Increased Pressure on Community Infrastructure and Facilities	Construction	The presence of the Project's workforce in hotels would not have a discernible impact on municipal infrastructure and services during the high tourist season, as typically during that time most hotels operate at or near capacity (and the municipality is prepared accordingly). However, for the low tourist season the municipality would need to increase staffing to adjust to a higher than normal demand for services (due to the presence of Project workers in hotels) and may need to increase the rates for garbage collection charged to hotel operators. Resources would also need to be made available for snow removal and street lighting. This impact implies higher costs for the municipality of Jermuk, which may be offset by fees levied on the hotels (already benefiting from higher occupancy in the low season) or on the Project itself. The hiring of additional personnel by the municipality during the low (winter) season – if resources are made available to the Municipality – would represent a benefit or positive impact from the point of view of local employment. The provision of health services in the community may also be moderately affected if at specific times the Jermuk hospital finds itself overwhelmed by a large increase in cases. However, the Project may contribute to enhancing	Moderate Negative	Increase capacity of local hospital.	Minor Positive
	Operation		Minor Negative	Make upgrades to municipal landfill.	Minor Positive
	Closure		N/A	Coordinate with (and, where necessary, provide support for) the Municipality.	N/A

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		the capacity of the hospital – thus offsetting some of the negative impacts of increased demand for the services.			
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SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Increase in Local Employment (Direct and Indirect)	Construction	During the high tourist season, it is not expected that Project workers being housed in hotels would generate new or additional employment, as hotels generally operate at or near capacity during those months (June to September and early January). However, by housing construction phase workers in hotels, the Project has the potential to contribute to increased year-round employment for some workers in the town (both those directly employed by hotels and others involved in the service sector). This is a positive effect, although it is temporary due to the duration of the construction phase and seasonal (discernible mostly during the low tourist season).	Moderate Positive	N/A	Moderate Positive
	Operation		Negligible		Negligible
	Closure		N/A		N/A
Increase in Local Procurement (Goods and Services)	Construction	There could be an increase in the procurement of local goods and services during the low tourist season (with the high tourist season likely unchanged) if the hotels' supply chain normally includes a considerable number of local businesses. However, the positive impact on local procurement of housing workers in hotels may be increased if the Project requires – as part of its contractual arrangements with hotels – the maximization of procurement from local businesses.	Minor Positive	Include local procurement provisions in the contracts of Project contractors. Implement supplier development programs.	Moderate Positive
	Operation		Negligible		Negligible
	Closure		N/A		N/A
Increased Skills Development (and Experience) of Local Workforce	Construction	Increased year-round employment for some hotel workers and others may result in greater opportunities for skills enhancement through on the job training. Enhanced skills and greater experience may lead to improved future employability of some workers. As the Project will likely house some expatriate workers in hotels during the construction period, this will likely provide more opportunities for hotel workers to enhance their foreign language capabilities – a critical skill needed for	Moderate Positive	N/A	Moderate Positive
	Operation		Minor Positive		Minor Positive
	Closure		N/A		N/A

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		employment in the hotel and hospitality industry. This impact is positive, although it is expected to be of short duration (primarily during construction phase).			
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SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Adverse Effects on Community Health, Safety, and Security	Construction	Housing part of the construction workforce in hotels within the community of Jermuk has potential negative effects on community health, safety, and security.	Major Negative	Implement awareness programs (e.g. re: STDs).	Moderate Negative
	Operation	The influx of a construction workforce has the potential to result in increased transmissions of communicable diseases (e.g. STDs, flu, etc.). The need to transport a large number of workers from site to their accommodations would likely result in increased traffic and the presence of large vehicles in the community, possibly resulting in an increase in traffic incidents and/or changes in air quality.	Minor Negative	Offer confidential testing for STDs and other communicable diseases.	Negligible
	Closure		N/A	Increase the capacity of local health services. Minimize interactions of workers with community (enforce Code of Conduct). Implement a traffic safety/control measures.	N/A
Potential Conflicts between Community and Project Workers	Construction	The potential for conflict between members of the local community and construction phase Project workers is enhanced if the workers are housed in hotels within the community and interactions are not minimized.	Minor Negative	Maximize local employment through the use of local job registry and training programs.	Negligible
	Operation		Negligible	Minimize interactions of workers with community (enforce Code of Conduct).	Negligible
	Closure	Although the communities such as Jermuk are accustomed to visitors, it has been indicated that if local people perceive that unskilled and semi-skilled jobs are being offered to outside workers without considering local workers first, there may be conflicts as result of resentment generated among potential local workers.	N/A		N/A

SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Potential Tensions in Community-Project Relationship	Construction	Tensions between the community and the Project may increase if there is at least a perception that the housing of construction phase workers in hotels within the community is not being managed properly and/or is resulting in detrimental effects for the community. A potential negative impact is a deterioration in the perceptions of the Project, ongoing interactions, and levels of collaboration. In extreme cases, a poor relationship between the Project and host communities could result in a loss of a social license to operate and/or a disruption of project activities and even stoppages.	Minor Negative	Frequent and proactive communication with local community stakeholders, with updates on Project activities.	Negligible
	Operation		Negligible		Negligible
	Closure		N/A		N/A
Increased Revenue for Local Hotels	Construction	The housing of construction phase Project workers in local hotels would, at least for the duration of the construction phase (short-term), result in steady and possibly increased revenues for hotels. Arrangements between the Project and hotels could result in a guaranteed full occupancy during the high tourist season, and higher than usual occupancy during the low season. Revenues would therefore be more evenly distributed throughout the year. The overall impact is highly positive, although of short duration (likely limited to the construction phase).	Moderate Positive	N/A	Moderate Positive
	Operation		Minor Positive		Minor Positive
	Closure		N/A		N/A
Loss of Clientele for Some Hotels After Construction Peak	Construction	High or full occupancy of hotels represents a short-term gain for hotel owners. However, the inability of hotels to cater to some of their "traditional" clientele (e.g. tour companies with which there are longstanding agreements) may result in loss of business if a perception develops that hotels are always full due to the presence of Project workers.	Moderate Negative	Communicate Project plans and expected dates of construction phase completion with Project owners.	Minor Negative
	Operation		Minor Negative	Selective (and limited) use of hotels.	Negligible
	Closure		N/A	Support the development of long-term tourism development strategies and plans.	N/A

SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Reduction in Trade for Some Goods and Service Providers	Construction	Tourist-oriented oriented activities such as outdoor guided tours, the sale of regional products, souvenirs, art, and restaurants would likely experience a loss in business activity in the usual high tourist season if a considerable number of hotel beds are occupied by workers (instead of tourists) – as workers' expenditures on such goods and services would likely be modest. This is a negative impact for some local businesses.	Moderate Negative	Provide business training to local enterprises.	Minor Negative
	Operation		Minor Negative	Implement supplier development programs.	Negligible
	Closure		Minor Negative	Provide support to local businesses' advertising and promotional efforts (e.g. local festivals and events).	Negligible

NEGATIVE RATINGS	POSITIVE RATINGS
Negligible	Negligible
Minor	Minor
Moderate	Moderate
Major	Major

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Appendix D

Summary of Impacts and Risks Pre-Mitigation and Post Mitigation –Worker Camp

SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Change in Visitors' perceptions of Jermuk as a "spa town", with negative impact on traditional tourism	Construction	The presence of the Project's construction workforce in Jermuk (in addition to the presence of the mine itself nearby) may affect the "spa" character of the town and tourists' perception of the destination – normally associated with fresh air, tranquil surroundings, and spa/medical treatments.	Major Negative	Minimize the presence of Project vehicles and workforce in Jermuk.	Moderate Negative
	Operation		Moderate Negative	Support tourism. development efforts.	Negligible
	Closure	It is thought that the construction of a camp for the Project's workforce may limit the extent to which the character of the town of Jermuk will be changed.	Negligible	Enforce Code of Conduct.	Negligible
Change in Local Residents' Perceptions of Own Community (Sense of Place and Community Safety)	Construction	The presence of a construction workforce nearby may affect how local residents perceive their own community. This may include sense of place and perceptions of safety in the community. This is a qualitative effect, and may have some positive aspects if residents associate the presence of a mining project with increased employment and other opportunities for local people.	Minor Negative	Frequent and proactive communication with local community stakeholders.	Negligible
	Operation		Negligible		Negligible
	Closure		Negligible	Enforce Code of Conduct.	Negligible
Increased Pressure on Community Infrastructure and Facilities	Construction	The housing of the Project's workforce in a self-contained camp should not have a discernible impact on municipal infrastructure and services. However, the Project's workforce may need to avail of medical services in Jermuk hospital – thus adding demand for services (increase in cases) at local medical facilities.	Minor Negative	Increase capacity of local hospital.	Minor Positive
	Operation		Minor Negative	Coordinate with and, where necessary, provide support for the local hospital.	Minor Positive
	Closure	The provision of health services in the community may also be moderately affected if at specific times the Jermuk hospital finds itself overwhelmed by a large increase in cases (particularly during high tourist season, when demand may be at peak). However, the Project may contribute to enhancing the capacity of the hospital – thus offsetting some of the negative impacts of increased demand for the services.	Negligible		Negligible

SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Increase in Local Employment (Camp Construction and Services)	Construction	Construction of a camp to house the Project's workforce will generate employment opportunities for local people, both in relation to the construction of the camp and for the provision of camp services.	Major Positive	N/A	Major Positive
	Operation		Moderate Positive		Moderate Positive
	Closure	If camp accommodations are used during the operation phase of the Project, the employment generated would be a long-term benefit (lasting for the operational life of the Project).	Negligible		Negligible
Increase in Local Procurement (Goods and Services)	Construction	There could be an increase in the procurement of local goods and services if the Project, through the management of the camp, makes efforts to maximize procurement from local businesses and service providers.	Minor Positive	Include local procurement provisions in the contracts of Project contractors operating in camp (e.g. catering services companies). Maximize use of local contractors for the construction of the camp. Implement supplier development programs.	Major Positive
	Operation		Minor Positive		Moderate Positive
	Closure		Negligible		Negligible
Adverse Effects on Community Health, Safety, and Security	Construction	The presence of the Project's external workforce near to the community of Jermuk has potential negative effects on community health, safety, and security.	Moderate Negative	Implement awareness programs (e.g. re: STDs). Offer confidential testing of STDs and other communicable diseases. Increase the capacity of local health services. Minimize interactions of workers with community (enforce Code of Conduct).	Minor Negative
	Operation	The influx of workforce has the potential to result in increased transmissions of communicable diseases (e.g. STDs, flu, etc.).	Minor Negative		Negligible
	Closure	Housing the Project's workforce in a camp limits the level of interaction with the local community and potentially reduces the likelihood of the above.	Negligible		Negligible



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SOCIO-ECONOMIC IMPACT	PROJECT PHASE	DESCRIPTION OF IMPACT	PRE-MITIGATION SIGNIFICANCE RATING	MITIGATION MEASURES (PROPOSED)	POST-MITIGATION SIGNIFICANCE RATING
Potential Loss of Staff from Hotels or Other Local Businesses to the Camp	Construction	As construction and operation of a camp housing the Project's workforce will require hiring experienced personnel, both for building construction/maintenance and accommodation/hospitality services, it is possible that the Project will recruit workers currently employed by the hotels or other local businesses. This may have adverse effects for some local businesses, as these may be required to offer higher wages (to "compete" with the Project) and/or engage in new recruitment and training efforts.	Moderate Negative	Develop a local employment plan which addresses the needs of both the local workforce and local businesses. A possible measure may be to focus on the hiring of people not currently employed.	Minor Negative
	Operation		Minor Negative		Negligible
	Closure		Negligible		Negligible

NEGATIVE RATINGS	POSITIVE RATINGS
Negligible	Negligible
Minor	Minor
Moderate	Moderate
Major	Major

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8 DEFINITIONS

Accommodation(s): A room, group of rooms, or building, in a complex or facility, in which Project staff may live or stay while working as an employee of the Company.

Code of Conduct or Code: The Company's explicit statement of values and guiding principles as adopted by its Board of Directors.

Community: A group of individuals, broader than the household, who identify themselves as a common unit due to recognized social, religious, economic or traditional government ties, or through a shared locality.

Company: Lydian International Limited.

Company Policy: One or more of Lydian's policies.

Employee: Any individual appointed to work on the Amulsar Project through a formal employment contract, including employees of contractors.

Employment Localization: Involves efforts by Lydian to hire local people for its workforce from the local communities near its Amulsar Mine.

Household: A person, or group of persons living together, in an individual house or compound, who share cooking and eating facilities, and form a basic socio-economic and decision-making unit.

International Finance Corporation: A division of the World Bank Group, which provides investment and advisory services to private sector projects in developing countries, with the goal of ensuring everyone benefits from economic growth.

International Labour Organization: Is an United Nations agency dealing with international labour standards, especially social protection, work opportunities and working conditions.

Local Employment Plan: The social management plan that will outline the Project's approach and interventions around localization of employment.

Local Procurement Plan: The social management plan that will outline the Project's approach and interventions around localization of procurement.

Lydian: Lydian International Limited.

Mine: The Amulsar Mine.

Procurement Localization: Involves efforts by Lydian to contract local companies for its workforce from the local communities near its Amulsar Mine.

Project Area: The Amulsar Project Area including the sphere of influence of the Project and the pit, waste dump, tailings, plant site and access roads, together with required safety and environmental buffer zones.

Project: The Amulsar Mining Project.

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Project-Affected Household: All members of a household, whether related or not, operating as a single socio-economic and decision-making unit, who are affected by the Project. A number of families may constitute one household.

Project-Affected Person: Any person who, as a result of the implementation of a project, is affected directly, or indirectly, by the project. Impacts of being affected may include a loss of right, use or benefit permanently or temporarily but also includes enjoying the benefits that may arise from a project.

Public: Refers to citizens of Republic of Armenia, foreigners residing in Armenia and one or more legal persons established in the framework of national legislation or unions, organizations or groups of these legal persons. Related public refers to public that is affected by or that may be affected by the Project.

Semi-Skilled Worker: Partially trained or experienced, not yet meeting the expected level of skill.

Skilled Worker: Is any worker who has special skill, training, knowledge, and (usually acquired) ability in their work.

Social License to Operate: A Social License to Operate exists when a project has the approval and broad acceptance of society to conduct its activities. It is not a license provided by civil authorities, or a product of an internal corporate process such as an audit of company practices. It comes primarily from the acceptance of project development and activities by neighbouring communities.

Stakeholders: Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a project or having the ability to influence a project.

Unskilled Worker: Work force associated with a low skill level or a limited economic value for the work performed (human capital).

Worker: An employee of the Company, including employees of contractors.

Worker Accommodation: A room, group of rooms, or building, in a complex or facility, in which Project workers may live or stay while working as an employee of the Company.

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9 REVISION CONTROL

REVISION CONTROL TABLE				
Version No.	Date	Pages(s)	Section(s)	Purpose of the Modification
Initial Release				
1				
2				

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10 AUTHORIZATION

Approved By: _____

Executive Vice President Sustainability

Date