

CONTENTS

6.12 DEMOGRAPHICS	6.12.1
6.12.1 Influx	6.12.1
6.12.2 Social Issues.....	6.12.11
6.12.3 Monitoring and Audit.....	6.12.15
6.12.4 Conclusions	6.12.19

TABLES

Table 6.12.1: Potential Typologies of In-migrants	6.12.4
Table 6.12.2: Impact Assessment, Influx Impacts.....	6.12.11
Table 6.12.3: Impact Assessment, Social Issues	6.12.15
Table 6.12.4: Impact Summary - Demographics.....	6.12.15
Table 6.12.5: Mitigation Summary Table.....	6.12.16

6.12 Demographics

The socio-economic affected area is defined at three levels. The national affected area is the entire country. The regional affected area includes the two Marzes (provinces) straddled by the mine layout and footprint: Vayots Dzor and Syunik. The local affected area is defined as the settlements most likely to experience changes from environmental and social impacts. The local affected area is linked to the definition of Project Affected Person (PAP), which refers to residents in the three closest rural settlements (Gorayk, Gndevaz and Saravan (including Saralanj and Ughedzor)) and the town of Jermuk (including Kechut) (Figure 4.1.5).

Development of the Amulsar project has implications for various aspects of the demographic profile of the local population. Key issues include increases in population through bringing new workers to the area and potentially encouraging an influx of opportunistic migrants and changes to existing social structures.

This section does not attempt to analyse if the expected increase in population is positive or negative. Rather, the section looks at the likely interactions between residents in nearby communities and how the introduction of new in-migrants, returning family members and other types of in-migrants, may impact their quality of life.

Key impacts addressed in this section include:

- Influx and population movement; and
- Social issues.

6.12.1 Influx

Project Activities Affecting Influx and Population Movement

At a national level, the trend of out-migration for work is commonplace, with workers leaving rural areas and heading either to urban centres (e.g. Yerevan) or to different countries (e.g. Russia) to seek and gain work. The perceived level of economic opportunity in the community influences the level of out-migration within a rural area. This was evident in the local affected area in 2013 and 2014 when development of the Amulsar project was delayed and levels of out-migration rose within the local communities. The development of the Project is expected to reverse this trend or at least minimise it, with fewer rural residents in the local affected area leaving to seek work and potentially some who have left returning to seek opportunities locally.

Construction Phase

The construction phase will require a peak workforce of approximately 1300 workers. Due to the skills needed for construction, it is anticipated that approximately 70% of the construction workers will be sourced from other parts of Armenia and potentially other countries.

A worker accommodation camp, with capacity for between 500 to 920 workers, will be built by the Company to accommodate the majority of non-local construction workers together with the use of hotel and apartments within Jermuk (See Section 6.21 for more details).

The worker accommodation camp will be located at the HLF, to the west of the ADR facility (approximately 2.5km south of Gndevaz). The fenced worker accommodation camp will be managed to minimise disruption in local communities associated with a large construction workforce.

Approximately 380 workers required for the construction period will be sourced from the local area. It is expected that these workers will continue to reside in their own homes during the two-year construction period, making use of the bus services which will be provided by Lydian to collect workers on a daily basis.

Therefore, there is the potential for the local employment opportunities and the accommodation of workers (potentially between zero and 370) in Jermuk hotels to encourage some level of in-migration.

The use of a closed camp for between 500-920 workers during construction is likely to reduce (although not exclude) the incentive for people to migrate into the region seeking to provide services to that segment of the workforce. Recruitment from local communities and the potential presence of workers living outside the camp (hotel accommodation for camp overflow depending on the size of camp selected) will, however, act as an enticement for people to in-migrate to the area. If the smaller camp is selected (500 beds) at peak, approximately 750 workers will be residing outside of the camp during the construction period, leading to a significant increase in the cash income levels within the communities and the potential purchasing power of local residents (temporary and permanent). This is likely to be viewed as an opportunity by opportunistic migrants.

The requirements for worker accommodation during the construction phase have been considered in a separate Chapter of the ESIA (see Chapter 6.21 and the management plan

relating to worker accommodation (see Appendix 8.24). Only those aspects relevant to in-migration are considered in this chapter.

Operations Phase

The operations phase will require a workforce of approximately 657 people. The Project will endeavour to minimise influx through prioritising local employment where possible (see Section 6.14 for more information). Lydian anticipates that 30% of the operational workforce will come from the local area and nearby municipal centres (e.g. Vayk and Sisian). Workers who originate from the local area will continue to live in their existing homes while working for the Project. A total of approximately 5% of the workforce is anticipated to be expatriates at the beginning of operations with plans to reduce this percentage over time. Workers will be sourced from regions outside of the local and regional areas when the skills required for the roles are not held within the local area. This commitment is documented in the Lydian Local Recruitment Procedure, which applies equally to the company and its contractors. Training programmes will be established by Lydian during the construction period to help enhance the employability of local residents in readiness for the operations phase.

During the operational period, hotel accommodation in Jermuk will be used by Lydian to accommodate approximately 250 workers. These workers are assumed to be professionals who are not from the local area, who will work on a rotational basis, returning to their families and point of origin on a regular basis. This leaves a workforce of approximately 405 people who will also need to be accommodated in the local area. Assuming 30% of the workforce are recruited locally, this leaves a remaining 210 workers who will need to be accommodated. It is assumed that these workers will move with their families to the Project area for the duration of the mining operation. The local recruitment initiatives will be seeking to fill these roles with local residents where possible; however, this is also likely to act as a source of attraction for potential in-migrants looking for work.

In addition to bringing new workers to the local area, economic opportunities associated with the Project are likely to have an impact on population movement and influx in the local area during the operations phase. Employment generated by the Project will increase the level of cash income within local communities leading to a significant increase in the buying power of local residents (temporary and permanent) during this phase. This is likely to be viewed as an opportunity by opportunistic migrants. There will also likely be opportunities generated by the Project's local procurement policies which may encourage some level of in-migration.

A second transition will occur when the project moves from operations into mine closure. During the closure period, employment levels will reduce in a step-wise manner, likely leading to a reduction of indirect employment opportunities as well. The effect of this transition on influx levels will depend on the number of in-migrants who have moved into the area during operations. It will be specifically addressed as part of the planning for mine closure.

Potential Influx Impacts

In-migrants could choose to move into the Project area for a number of different reasons including employment and indirect economic opportunities (summarised in Table 6.12.1, see also Chapter 6.21).

Table 6.12.1: Potential Typologies of In-migrants			
Characterisation		Likelihood	Amulsar scenario
1	Returning family, extended family members, & former residents of the area	Construction: Likely	Former residents of Gorayk, Saravan, Gndevaz, Kechut and Jermuk, seeking to return to their settlements, expecting improved living conditions and employment, or opportunities to provide goods & services to the project or the local population.
		Operations: Likely	
2	Project employees from outside the project area and their immediate and extended families	Construction: Somewhat likely	Temporary or permanent workers employed by the project or its contractors who move to the area with or without family to be close to their place of employment.
		Operations: Likely	
3	Potential providers of goods and services to the local population	Construction: Likely	Traders, entrepreneurs, small and medium enterprise owners, commercial sex workers, etc., aiming to capture substantial increases in disposable income through provision of goods and services. Jermuk would be the most likely destination for such in-migrants given that the area has excess housing capacity due to a decreased population since the peak population in the 1980s. Jermuk is the nearest town offering accommodation, medical and recreational facilities, which may also attract this type of in-migrant.
		Operations: Likely	
4	Service providers to the project	Construction: Somewhat likely	Entrepreneurs and SMEs from the formal sector; aiming to secure contracts to provide goods and services to the project and its contractors, seeking to establish offices in Gndevaz and Jermuk.
		Operations: Likely	

Characterisation		Likelihood	Amulsar scenario
5	Service providers to the expanding population	Construction: Likely	Entrepreneurs and small and medium enterprises (SMEs) aiming to take advantage of new business opportunities catalysed by the development and operation of the project would seek to establish their presence in Jermuk, but depending on the type of service they offer, could be attracted to any of the villages in the area.
		Operations: Likely	
6	Opportunistic migrants	Construction: Likely	Unskilled, semi-skilled or skilled people, seeking direct or indirect employment or entrepreneurial opportunities would be attracted to Gndevaz and Jermuk, as above.
		Operations: Likely	

It is almost impossible to predict the scale of influx which may occur due to a Project; as such, all estimations need to be considered with significant caution. The scale of influx is influenced by a variety of factors, including, but not limited to: the mobility of the host population; availability of economic opportunities and employment in other areas of the country; traditions of migration for work etc. Armenia does have a reasonably mobile population, with a long established trend of young males migrating (predominantly to Russia) for work opportunities, and there are relatively few rural job opportunities available within the country. Given this synopsis, it seems likely that the development of the Amulsar Project will act as an attractant for some level of in-migration. Using the influx categories outlined in Table 6.12.1, and considering both the construction and operations periods, the following assumptions can be made:

- Returning family, extended family members & former residents of the area – If it were assumed that 50% of those people reported to have migrated away seasonally from Gorayk, Gndevaz, Saravan and Jermuk in 2015 were to return to their communities, this would equate to approximately 137 people¹ (see Table 4.12.6 for migration data). As the vast majority of people migrating away for work are married males aged between 21 and 50 years, it is reasonable to assume they would move back as individual males also.
- Project employees from outside the project area and their immediate and extended families – The scale of this type of in-migration is highly dependent upon on the success of the training and local recruitment efforts in the local area. Taking construction and operation in turn, it is intended that approximately 30% of the workforce be sourced

¹ The seasonal migration figures recorded in the Village Passports for 2015 were substantially reduced from those recorded in 2014 (50% reduction). The basis for this change is not known.

locally during the construction period. This equates to approximately 380 to 390 local jobs during the peak of construction. The training programme to improve the skills and capacity of local workers will only commence during the construction period, hence there may be an incentive for people to in-migrate in the early stages of construction to be eligible for these “local” jobs. During operations, if 30% of the workforce is sourced locally, there is the potential for up to 210 workers to move with their families into the local area for work purposes (assuming 250 workers reside in Jermuk hotel accommodation also during the operations period). Section 4.12.6 indicated the average family size in Armenia is four people, so it could be assumed that up to 840 people (210 households) might in-migrate into the community under this scenario.

- Potential providers of goods and services to the local population; services providers to the project; service providers to the expanding population; and opportunistic migrants – these four categories are considered collectively as there is no data to support a more detailed assessment. For the purposes of this discussion, these four categories of influx combined might contribute another 300 - 400 people migrating into these communities, with a relatively similar level seen during construction and operations. It is assumed many of these people would migrate as individuals, waiting to see if they found success before bringing family members to the area. These opportunistic migrants would be likely to be men.

Combining these figures would suggest there is potential for over 1000 people to migrate into the communities during the operations period, of which a significant proportion might be single males. This assessment should not be used for planning purposes, but rather as an indication of the potential scale of influx the project might generate.

The effects of this potential influx will not be felt evenly within the villages, with Jermuk likely to experience the greatest impact from influx due to the location of the project activities and accommodation locations and the attractions and opportunities that a city of this size can offer. Gndevaz is also likely to experience a higher level of influx when compared to the other villages due to its proximity to the Project operations. The impacts described below (with the exception of inflation which is addressed in Section 6.13) are not expected to affect any groups differentially from the rest and the impacts are expected to be gender neutral.

Unmanaged influx (project induced in-migration) into the Project area can have the potential negative impact of decreasing the standard of living due to increased pressure on local

resources and existing infrastructure. Such pressure can impact community resources like schools and health facilities or exceed the capacity of community infrastructure. Potential impacts are discussed below:

- Education – The education facilities in the local affected area are all operating significantly under capacity at present (see Section 4.14.1). In 2014, the secondary and high schools in the local area were operating at an average of 27% capacity (a notable exception is Jermuk Number 1 school which reported near full capacity in 2015), with an additional 1,845 places available for students. Additional student numbers from in-migration or worker families would benefit these schools.
- Sewerage – During construction, the temporary worker accommodation camp of between 500 and 920 persons will be operated with its own package sewage treatment plant, with no impact on community systems. Treated water will be used for construction earthworks or discharged into an infiltration gallery on the Amulsar project site. The additional workforce residing in Jermuk during peak construction (up to 370 workers, based on a worker accommodation camp of 550 persons) will use the existing Jermuk sewerage system. The Jermuk waste water treatment plant is being upgraded in two phases. Phase 1, which comprised the installation of a mechanical separation plant, was completed in December 2014 through support from KfW. The capacity of this plant is understood to be capable to supporting a population of 22,000, far exceeding the current demand and any increased demand associated with project induced in-migration. The timing for Phase 2 of the water treatment plant upgrade, which will focus on the chemical treatment of the discharge, is unclear. While the impact of up to an additional 1000 in-migrants contributing to the existing sewerage system is relatively small, these impacts will be further reduced when the Phase 2 programme of works is implemented. Commercially available septic systems will be sufficient to manage and treat domestic wastewater from the offices and plant facilities. Septic systems will be provided for the mine truck shop, primary crusher, secondary crusher, ADR plant/administration offices and the worker accommodation camp. Gndevaz, Gorayk and Saravan do not have any form of wastewater treatment in place. Lydian will work with the village administrators to ensure that town planning includes planning for septic systems as the communities expand. No impact on host community sewerage systems is anticipated.
- Water – Water extraction for the project will not impact the water supplies for the host communities (see Chapter 6.10) and no impacts to water supplies associated with the growth of population through influx are anticipated.

- Waste – A mine landfill facility will be constructed on the Project site to the east side of the BRSF, to handle domestic and non-hazardous industrial waste generated from mining operations. It will have a depth of approximately 3m with perimeter berms and exterior surface water diversions or berms to keep surface water runoff away from the landfill. The landfill will be constructed in accordance with appropriate standards including the IFC EHS Guidelines and EU waste directives for disposal of non-hazardous wastes. All domestic waste generated by the Project from the mine and its accommodation sites that is not recycled or reused will be disposed of in this landfill. At present, waste from Jermuk is disposed of in an existing landfill site approximately 2km east of the town. The Company will work with Jermuk authorities to identify options for improved municipal waste disposal, taking in consideration potential increased demand associated with project induced in-migration. Unless a suitable, improved landfill facility is constructed by the Municipality of Jermuk, all domestic waste generated by the mine, worker accommodation camp, and by the workforce resident in Jermuk, will be disposed in the landfill built at the mine site.
- Inflation – An increased population is likely to increase demand for a number of key items: accommodation and staple foods. This has the potential to generate local inflation, as discussed in detail in Section 6.13.

Potential impacts to health infrastructure and services from influx are addressed in Section 6.18.

Mitigation measures are aimed at reducing the scale of influx and managing potential negative impacts.

Mitigation Measures for Influx Impacts

Actions which the Project will take to minimise influx and mitigate potential negative impacts fall into two categories:

- Measures that help minimise influx; and
- Measures that help manage influx impacts.

Minimisation measures will include:

- Developing and implementing a training programme for local residents to assist them to be successful in gaining work with the Project. The training programme design is being informed by the results of the skills survey conducted in 2014 (initial results reported in

Section 4.17), combined with development of job descriptions for roles required in construction and operations. Training is not expected to exceed 6 months for any specific skill and will be accessible to all residents within the local affected area on a merit basis. Training is being designed to target operations roles, as these provide a longer-term opportunity than the short-term construction roles. This is described in more detail in Section 6.14.

- The Project will have two administrative site offices where management will be based: one located at the truckshop facilities, and the other located at the ADR plant. The community relations staff will be based at the ADR office. Locating both offices away from the rural villages and city of Jermuk will minimise the likelihood of people associating a specific village with recruitment opportunities with the Project. While it may not reduce the level of opportunistic in-migration, it is likely to minimise the risk of one village or town being more affected than others, on the basis of recruitment alone. To add a further disincentive to migration near project offices, no recruitment will be undertaken at the “mine gate”, with all positions being awarded in alignment with the recruitment procedure. Given the low level of car ownership within the local communities, locating a recruitment centre at a distance from the project would actively discourage local recruitment, counter to the aims of the Project.
- Implementation of the Local Recruitment Procedure which states:
 - Lydian will maintain an up to date skills register for the residents of the local affected area. This register will be used as the basis for all recruitment processes.
 - Notification – all jobs will be advertised at the Amulsar Information Centres (AIC) in Gndevaz and in Jermuk for at least two weeks prior to closing dates. Only local residents will be eligible to apply for jobs at the AICs. A recruitment location will also be established in Yerevan to facilitate Armenian’s from outside the local area to apply for jobs.
 - Award – decisions will be based upon merit, commitment to safety and their personal behaviour. Within this context, local² recruitment will be prioritised.

² *Local* - For the context of this procedure, “local” is defined to include people normally resident in Gndevaz, Saravan, Gorayk and Jermuk/Kechut. It also includes those people who originate from these villages but have moved away to seek employment in other places (e.g. internal migrants etc.).

Regional – For the context of this procedure, “regional” includes people who are normally resident in Syunik Marz or Vayots Dzor Marz. It also includes those people who originate from these Marzer but have moved away to seek employment in other places within Armenia.

National – Refers to all people who normally reside in Armenia.

If the skills are not held locally, regional candidates will be prioritised. If the skills are not held regionally, Armenian nationals will be given priority over foreign applicants.

- Contractor requirements – when bidding for work on the Amulsar Project, contractors must demonstrate how they will meet the Local Recruitment Procedure and indicate the proportion of local, regional and national recruitment they will achieve. If these levels are low, the contractor must demonstrate how they will build skills and increase these levels over the duration of their contract.
- Employment communication / consultation programme that consistently and clearly informs the national and local populace of the company's Local Recruitment Procedure and Human Resources Policy, employment opportunities and requirements. Monitoring of population changes to be conducted in coordination with Village and Town Mayors through the "Village Passport" system.

Management measures to mitigate the potential negative impacts will include:

- Consultation with local administrators to ensure there is joint recognition of the potential adverse impacts of un-managed influx. Lydian to provide assistance to village administrators to plan for population growth in their communities, including considerations of potential impacts to services;
- Widely disclosed and effectively managed grievance mechanism for communities to register complaints or contribute information important in the event of any strain on resources; and
- Continued monthly consultation with the nominated CLC groups, which will be used as a formal procedure for soliciting information on unanticipated indirect impacts from any influx.

Residual Influx Impacts

Indirect impacts of influx are complex interactions. Mitigation is targeted towards minimising the number of people who move into the area and improving opportunities for local employment. If negative impacts are to occur, the main mitigation is related to maintaining good communication with nominated leaders and responding to potential strains on resources and infrastructure in a timely fashion. If properly implemented, such impacts will still be possible, but should be identified and solved quickly to avoid impairing current residents' quality of life or ability to enjoy their resources and infrastructure (Table 6.12.2).

Table 6.12.2: Impact Assessment, Influx Impacts						
Sub-category	Direction	Magnitude	Extent	Duration	Impact (prior)	Impact (post)
Influx	Negative	High	Local	Medium term	Major (negative)	Moderate (negative)

6.12.2 Social Issues

Project Activities Affecting Social Issues

Social issues are related to the indirect impacts of the influx of workers, service providers and other opportunistic in-migrants. The topic is also difficult to predict, but similar Projects in other parts of Armenia and the world provide a solid indication of some issues that commonly emerge when large numbers of workers, mostly men living without their families, are placed in a community with which they are not familiar.

The Project will bring a new and diverse group of people into the local affected area communities and will increase the disposable income at the same time. Specific social issues associated with workforce accommodation are further described in Chapter 6.21.

Potential Social Issues Impacts

Social issues often result in tension between different customs and norms. They are also linked to behavioural changes that can result from changes in the socio-economic dynamic. In this case, the largest change will be from the influx of new people, many with little connection to the local affected area, as well as shifts in the labour market that will see a substantial increase in salaried employment in an area that has largely been linked to agriculture in the rural settlements and tourism and other service-related livelihoods in Jermuk. Similar projects have experienced increased alcohol consumption, new or widening commercial sex networks and prostitution, closely associated to problems with sexually transmitted diseases and an increase in crime and violence in communities proximal to their operations. These impacts will disproportionately affect women and girls within the local communities either directly or indirectly.

Social issues are influenced by economic inequalities. In a situation where high numbers of local residents report difficulty buying enough food, the emergence of a sizeable group of people with relatively high wealth associated with mining employment can cause jealousy, especially if there is any real or perceived corruption in employment practices and procurement. Those most vulnerable to this impact will be people and / or households with

limited finances.

All communities are susceptible to the impacts related to social issues, though Jermuk will be most likely to experience changes because it will accommodate up to a maximum of 370 workers during construction and approximately 250 workers during operations. Gndevaz is also likely to be impacted through its relative proximity to the temporary construction worker's camp. The location of the camp would be either within the construction area of the HLF (see Figure 3.1). While the worker accommodation camp will be solely for persons working at the mine, given the reliance on the use of hotel and worker accommodation in Jermuk, it is also inevitable that there will be mixing between the workers resident in the camp and those residing in Jermuk, and given the proximity of the worker accommodation camp location to Gndevaz, mixing may also occur in this village, as well.

The temporary construction camp will also be managed as a "dry camp" (meaning that no consumption of alcohol will be permitted) to ensure a safe working environment for the Project and to maintain employee standards as defined in the Code of Conduct and the Employee Certificate. It will not be possible to restrict access to alcohol to workers residing in Jermuk hotel accommodation as the level of company control will be considerably lower, however compliance with the Code of Conduct will be expected of all employees and contractors.

Jermuk, and to a lesser extent Gndevaz, are the settlements most likely to absorb other immigrant workers. The excess housing capacity and services already catering to tourists and outsiders within Jermuk will potentially make this process of expansion simpler, although it also has the potential to displace tourism income, in the short to medium term.

The use of Jermuk hotel accommodation during construction and operations will increase Jermuk's exposure to social change resulting from the mining project. Although workers will be accommodated in a limited number of hotels, they are likely to be inter-mixed with other guests (tourists predominantly). The characteristics of a mining workforce will vary significantly from those of tourists and the dispersion of workers across more than one hotel and more than one location within Jermuk will extend this impact.

Mitigation Measures for Social Issues

Economic inequality is likely to occur to some extent regardless of mitigation measures. It can be minimised, however, through the successful implementation of assistance programmes targeted at non-industrial sectors (e.g. agriculture, tourism, or small and

medium scale enterprise development). Such assistance, if transparently implemented with equal opportunities for all local residents, will reduce tension between influx workers and local residents by providing opportunities for non-mining related workers to benefit as well.

Other social issues relating to alcohol and drug consumption within the broader community are difficult for a mining company to influence. However, Lydian will require certain standards of behaviour from its workers (and its contractors) through a Code of Conduct and Employee Certificate. Training on the Code of Conduct will be required as part of the Induction process for all employees (including contractors) and visitors. The Code of Conduct includes commitments from all workers and contractors that they will uphold the following standards:

- Personnel must not be under the influence of, sell, distribute or possess alcohol, narcotics, depressants, stimulants, hallucinogens, marijuana or any other mind altering drugs, when reporting for work, while working on company property, and while operating any company motorized vehicle.
- Employment will be based on the principle of fair treatment, free from discrimination. Discrimination on the basis of race, religion, gender, nationality, age, disability, any other category protected by the United Nations Declarations on Human Rights, and all applicable laws and regulations in the jurisdiction where Company Personnel operate is prohibited.
- The Company will not tolerate harassment.
- The Company will not tolerate violence in the workplace.

These commitments will be assessed on a regular basis through compliance testing, including, but not limited to, random drug and alcohol tests for employees and contractors. Employees will also have the opportunity to speak out about non-compliance they have observed through the confidential whistle-blowing system in place across Lydian. Through influencing the behaviour of its own workforce, the workers may provide a positive role model for community members, effectively discouraging social issues.

Lydian will also continue to support sporting and cultural events within the local area of influence as part of its community investment portfolio. Through this support, Lydian will be incentivising those who participate in community activities and who partake in a healthy lifestyle.

The Code of Conduct requires all employees and non-employee workers to conduct themselves in accordance with Armenian law. Lydian has developed a clear policy on HIV/AIDS that requires non-discrimination for anyone who may have the disease, as well as providing clear and accurate information on the spread of the disease, and other sexually transmitted infections. Further analysis of this impact is addressed in Section 6.18. Mitigation measures will include:

- Supporting local information education and communication campaigns on HIV and STI awareness that promote behaviour change;
- Distribution of condoms and information materials in local restaurants and entertainment areas
- Supporting women's empowerment and education programmes to avoid the temptation to be involved in forms of transactional sex work.

Healthy lifestyles will be promoted through information, education and communication campaigns run by the Project within the local community. These campaigns will be address the following topics as a minimum: alcohol consumption, health eating, conflict awareness and cultural awareness.

Reducing the level of interaction between workers and tourists and other residents in Jermuk will reduce the potential for social conflict. The Project will seek to minimise the number of hotels (and apartments, if utilised during operations) used to accommodate workers in order to minimise the level of interaction. Worker accommodation within Jermuk has been assessed and defined in the Worker Accommodation Management Plan (Appendix 8.24).

Similar to the mitigation measures related to influx, a key mitigation tool will be the community grievance mechanism. Residents of Jermuk and all settlements will be encouraged to use the mechanism if they observe any behaviour that they consider to be unwelcome or harmful to the local social fabric of their communities.

Residual Social Issues Impacts

Prior to mitigation, social issues are considered to be a potential negative impact. The magnitude of the impact is high as the characteristics of the town of Jermuk change (from a family tourist area to an area that also will accommodate a significant proportion of the mine workforce). These workers will live in Jermuk for several years and will therefore alter the balance of tourists to semi-permanent workers for the duration of the mine's life. The spread

of STIs including HIV and other diseases and public nuisances such as increased alcoholism can seriously impair the quality of life and generate significant tension and social dysfunction within a community. These consequences of these impacts can disproportionately affect women and girls.

The mitigation measures are meant to set high standards of conduct for all employees and non-employees and to incentivise behaviours which minimise social issues. This will not stop all instances of negative behaviour, but additional engagement efforts will allow Lydian to become aware of abuses quickly so that measures can be put in place to manage them (Table 6.12.3).

Sub-category	Direction	Magnitude	Extent	Duration	Impact (prior)	Impact (post)
Social Issues	Negative	Medium	Local	Medium term	Moderate (negative)	Moderate (negative)

Table 6.12.4 summarises Project impacts on demographics.

Sub-category	Direction	Magnitude	Extent	Duration	Impact (prior)	Impact (post)
Influx and population movement	Negative	High	Local	Medium term	Major (negative)	Moderate (negative)
Social Issues	Negative	Medium	Local	Medium term	Moderate (negative)	Moderate (negative)

6.12.3 Monitoring and Audit

As described above, mitigation measures that relate to managing demographic impacts from the Project will be addressed in a number of management plans. Table 6.12.5 outlines monitoring indicators which will be used and developed further to assess the effectiveness of mitigation measures, see also Appendix 8.24.

Table 6.12.5: Mitigation Summary Table

Section	Mitigation	Monitoring Indicator	Management Plan
6.12.1 Influx	<p>Minimisation measures will include: Provision of training to local area of influence communities to increase their skills and maintenance of a skills register to be used as basis for all recruitment. Training will target operations roles; Preferentially hiring from the local area of influence where skills are held (or can be developed) within those communities to undertake the role; No recruitment will be undertaken at the “mine gate”, with all positions being awarded in alignment with the recruitment procedure; Two offices for the Project: one located at the truck shop and one to be located at the ADR. Two recruitment points will be defined, one at the local AICs for local residents only; and a second recruitment point in Yerevan for Armenians originating from other areas; Implementation of the Local Recruitment Procedure; and Consultation with local administrators to ensure there is joint recognition of the potential adverse impacts of un-managed influx. Monitoring of population changes to be conducted in coordination with Village Mayors</p>	<p>Local Recruitment Procedure up to date and disclosed as part of worker induction; Audit of contractors to determine compliance with Local Recruitment Procedure and regular reporting required Employment statistics up to date, including: • Gender statistics • Home of record (region and city) • Age Minutes of engagement with local administrators complete. Monitoring of population changes through Village Passports</p>	<p>Stakeholder Engagement Plan (Appendix 8.6)</p>

Table 6.12.5: Mitigation Summary Table

Section	Mitigation	Monitoring Indicator	Management Plan
6.12.1 Influx	<p>Management measures to mitigate the potential negative impacts will include: Widely disclosed and effectively managed grievance mechanism for communities to register complaints or contribute information important in the event of any strain on resources; and Continued monthly consultation with the nominated CLC groups, which will be used as a formal procedure for soliciting information on unanticipated indirect impacts from the influx.</p>	<p>Number of internal and external grievances received; Number of internal and external grievances resolved; Number of internal and external grievances transferred to court of third party resolution; and Minutes of engagement with CLC complete.</p>	<p>Stakeholder Engagement Plan (Appendix 8.6)</p>
6.12.2 Social issues	<p>Lydian will seek to provide clear inductions for all workers on its employee Code of Conduct and will require compliance with this Code (failure to comply will have disciplinary consequences). These commitments will be assessed on a regular basis through compliance testing, including, but not limited to, random drug and alcohol tests for employees and contractors.</p>	<p>Code of Conduct included in worker induction. Human resources records for disciplinary concerns regarding Code of Conduct compliance Random drug and alcohol testing for employees and contractors. Whistle-blowing system reports (confidential and anonymised)</p>	<p>Environmental and Social Management Plan (Chapter 8)</p>
6.12.2. Social Issues	<p>The Project will seek to minimise the number of hotels (and apartments, if utilised during operations) used to accommodate workers in order to minimise the level of interaction (see Appendix 8.24).</p>	<p>Number of hotels used to accommodate workers Community grievance system reports and analysis of trends</p>	<p>Stakeholder Engagement Plan (Appendix 8.6)</p>

Table 6.12.5: Mitigation Summary Table

Section	Mitigation	Monitoring Indicator	Management Plan
6.12.2 Social issues	<p>Lydian has a clear policy on HIV/AIDS that establishes non-discrimination for anyone who may have the disease, as well as providing clear and accurate information on the spread of the disease, as well as other sexually transmitted infections. Supporting local information education and communication (ICE) campaigns on HIV and STI awareness that promote behaviour change;</p> <p>Distribution of condoms and information materials in local restaurants and entertainment areas</p> <p>Supporting women’s empowerment and education programmes to avoid the temptation to be involved in forms of transactional sex work.</p>	<p>HIV/AIDS policy included in worker induction.</p> <p>Audit of ICE campaigns conducted per year</p> <p>Audit of condoms distributed in local communities</p>	<p>Environmental and Social Management Plan, and Community Health and Safety Plan (Chapter 8 and Appendix 8.15)</p>
6.12.2	<p>Healthy lifestyles will be promoted through information, education and communication campaigns run by the Project within the local community. These campaigns will be address the following topics as a minimum: alcohol consumption, health eating, conflict awareness and cultural awareness.</p>	<p>Audit of ICE campaigns conducted</p>	<p>Community Health, Safety and Security Management Plan</p>
6.12.2 Social issues	<p>Similar to the mitigation measures related to influx, a key mitigation tool will be the community grievance mechanisms. Residents of Jermuk and all settlements will be encouraged to use the mechanism if they observe any behaviour that they consider to be unwelcome or harmful to the local social fabric.</p>	<p>Community grievance system reports and analysis of trends</p>	<p>Stakeholder Engagement Plan (Appendix 8.6)</p>

6.12.4 Conclusions

The Impact assessment has been carried out to assess the effects of construction, operation and closure of the mine on demographics. Findings are summarised below:

- Impacts fall into two main categories: influx and social issues, which are both considered to create medium term impacts during the construction and operational phases of the Project.
- Influx has a major negative impact before mitigation and a moderate negative impact after mitigation. Social issues will have a moderate negative impact prior to mitigation and a moderate negative impact after mitigation.
- Mitigation measures for influx include: preferentially training and recruiting local people, the continued operation of the grievance mechanism, on-going monthly CLC group meetings to gain regular feedback about people's concerns and any issues relating to influx.
- Mitigation measures for social issues include minimising the level of interaction between workers and community members (including tourists), the development of inductions for employees and an employee Code of Conduct, and compliance testing against the Code of Conduct commitments. Geoteam has a policy on HIV/AIDS which creates a culture of non-discrimination of affected employees and implements measures to reduce the spread of sexually transmitted diseases, including HIV. The grievance mechanism outlined in the SEP encourages stakeholders to raise concerns relating to unwelcome or anti-social behaviour.