

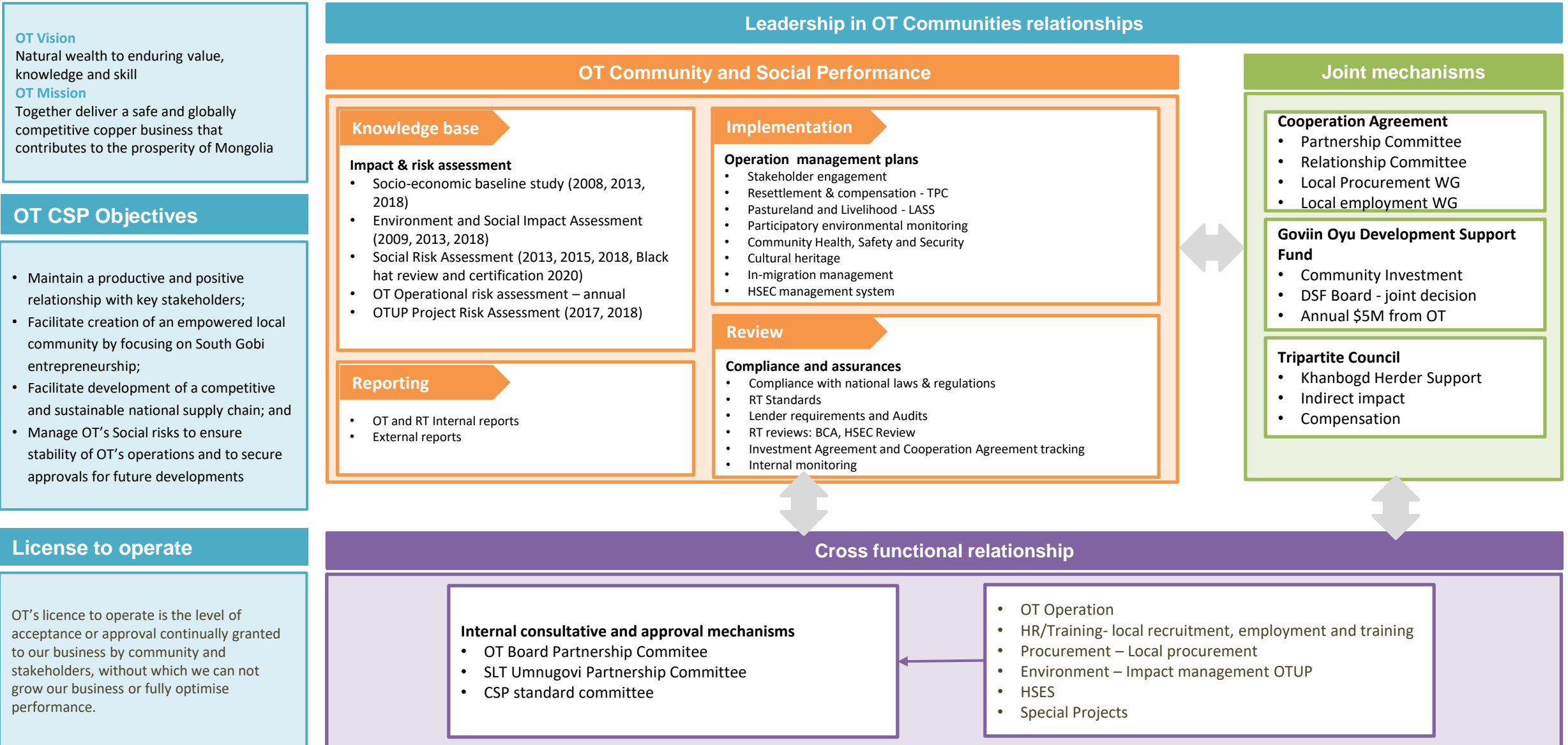


OT Community Engagement and Partnership

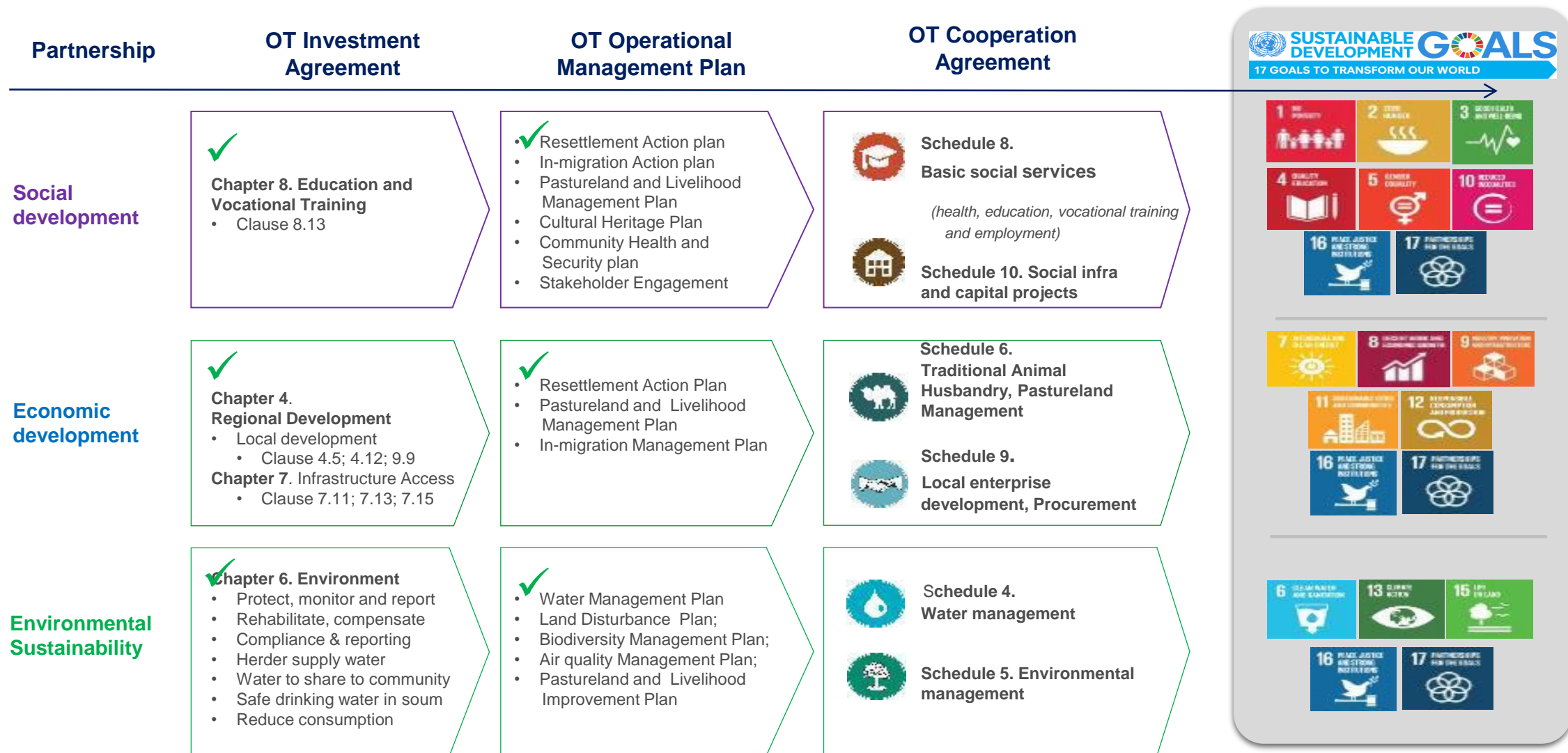
June 2022

Operating Model of OT Communities

Securing license to operate and managing productive and positive relationship

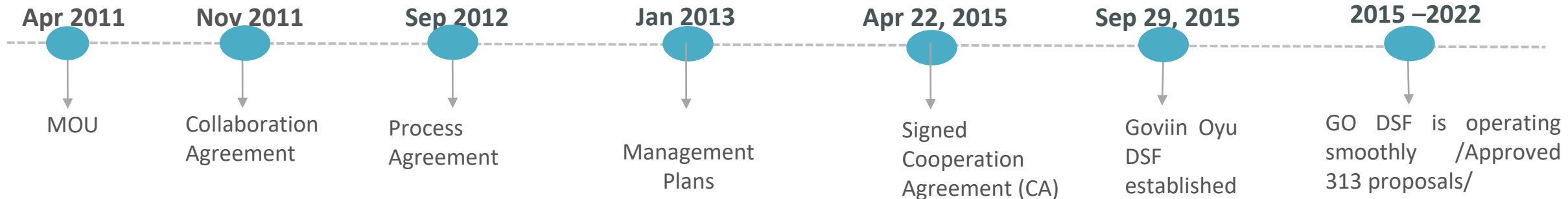
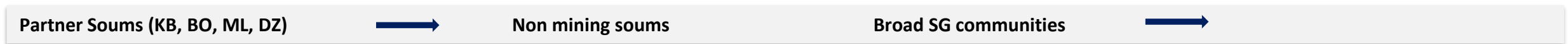


Contribution to SDGs through agreements & commitments



Cooperation Agreement

Partnering for sustainable development



Significance of Cooperation Agreement

Promotion of community empowerment and partnership

The Agreement enables:

Communities' empowerment

Financial and governance leverage to empower the communities through promoting self-reliance attitudes - 'owner of own destiny' and 'your participation – foundation of sustainable development'

Communities' ownership

OT's role has shifted to catalyze, facilitate or "accompany" the communities in decision making process and transferring power and ownerships

Promotion of shared value

Robust foundation for creating shared values and achieving common goals towards License to operate (LTO) to the business and Sustainable development to broader community

Development multiplier

100 % retention opportunities for quantities and qualitative benefits of community programs in order to generate a strong socio-economic multiplier

Partnering to invest

Attraction of other stakeholders for partnering to invest in SG communities

Compliance with:

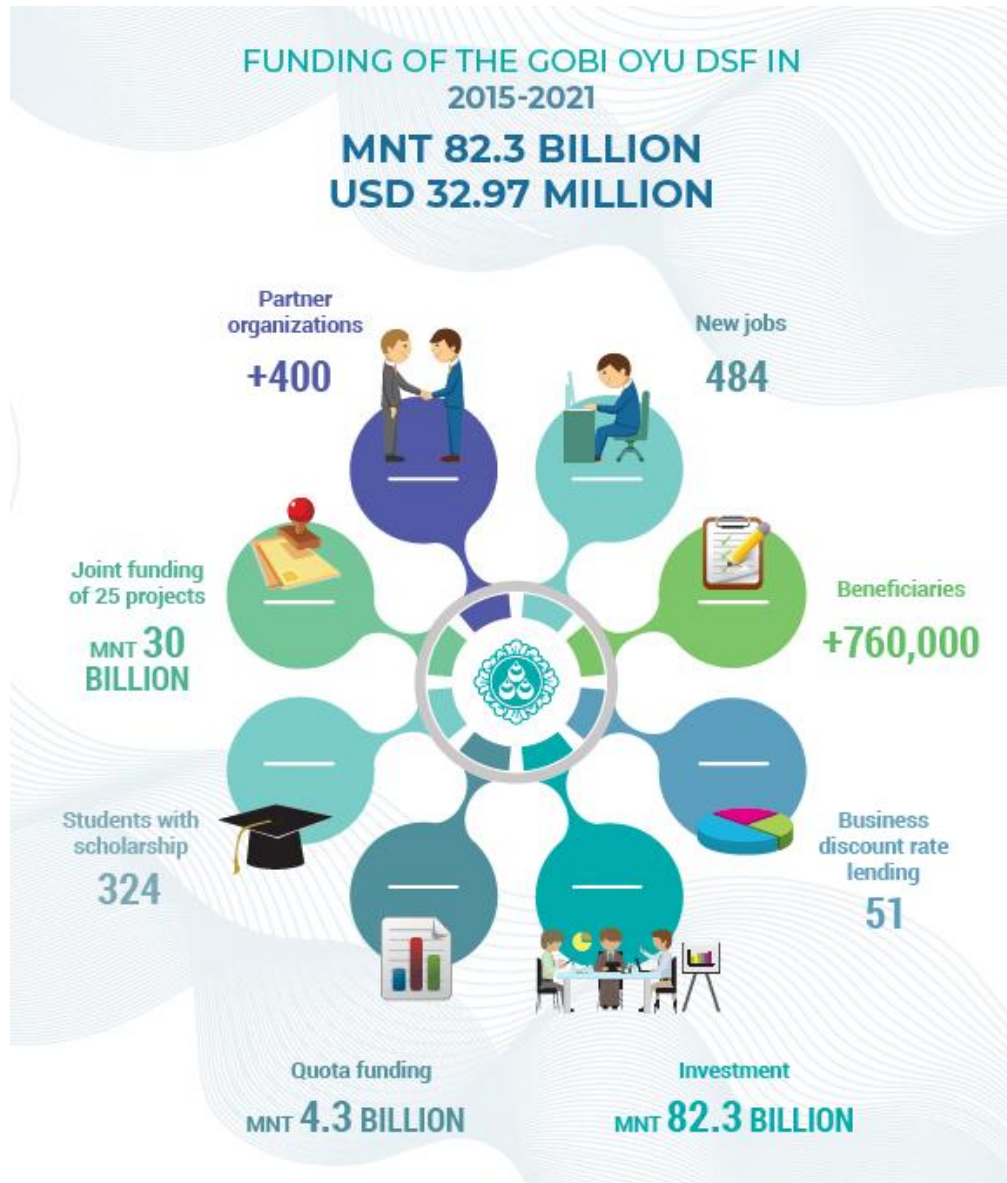
Minerals Law of Mongolia -
Article 42.1

Investment Agreement - Chapter
4

Rio Tinto's
CSP Standards

Lender's requirement - IFC and
EBRD

Goviin Oyu Development Support Fund (DSF) Investment Overview



Major results

Social service



- 2 schools (1 ongoing)
- 6 kindergartens (1 ongoing)
- 1 Museum (opened on 18 May 2022)
- 3 Health centers (1 ongoing)

Basic infrastructure



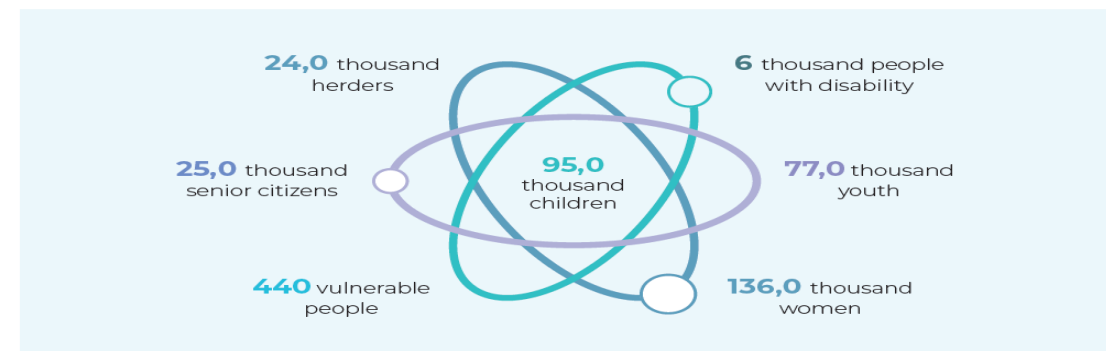
- 1 Water Facility
- 67 Herder wells
- 4 Boiler houses
- 1 Waste - landfill facility
- 1 Flood dam/canal
- 6.5 km Drainage facility

Sustainable development projects



- 22 Training and capacity building projects
- 33 technical capacity projects
- 5 tree nurseries

TARGET BENEFICIARIES OF PROJECTS AND PROGRAMS FUNDED BY THE GOBI OYU DSF



Key programs to mitigate mine impacts

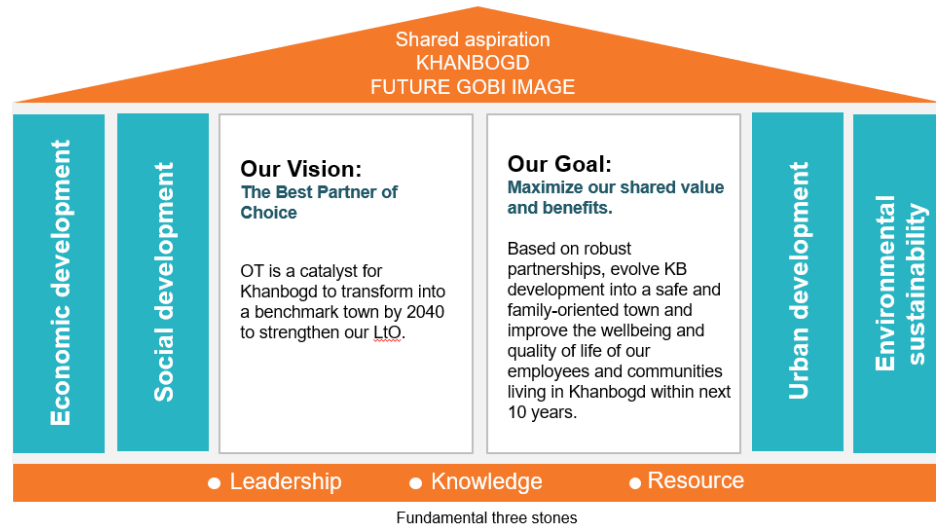
	 Stakeholder engagement	 Resettlement & compensation	 Community Health, Safety and Security
Objective	<ul style="list-style-type: none"> To ensure effective and continues engagement with local communities and other key stakeholders during the construction, operation, and closure phases of the OT 	<ul style="list-style-type: none"> Minimise societal instability associated with unmanaged in-migration and to leverage sustainable development opportunities 	<ul style="list-style-type: none"> To minimise and mitigate community health, safety security impacts direct and in directed by OT; and provide a safe environment for community members
Key controls	<ul style="list-style-type: none"> Consultation-Herder household visits, meetings Community event-Annual OT Open Days in Partners soums Information disclosure- Monthly Community Newsletter, mine site visits Issue based engagement-Tripartite Counsel, Partnership Committee, Community feedback-surveys, grievance mechanism 	<ul style="list-style-type: none"> Prior consultation of impacts and compensations 2004 compensation programme implemented for 10 herder households physically displaced 2011 compensation programme done for 89 herder households Assistance continued to local vulnerable groups Outcome Evaluation by Independent Expert-2014; 2018 Corrective actions ongoing Completion Audit planned 	<ul style="list-style-type: none"> Communication on OT's <i>Emergency Response Plan</i> Consultation of potential off-site construction Integrated Health programme for Southgobi Road Safety Awareness Youth Development Centre Regular monitoring community communicable disease and crime incidents Capacity building of local medical service
			

Key programs to mitigate mine impacts

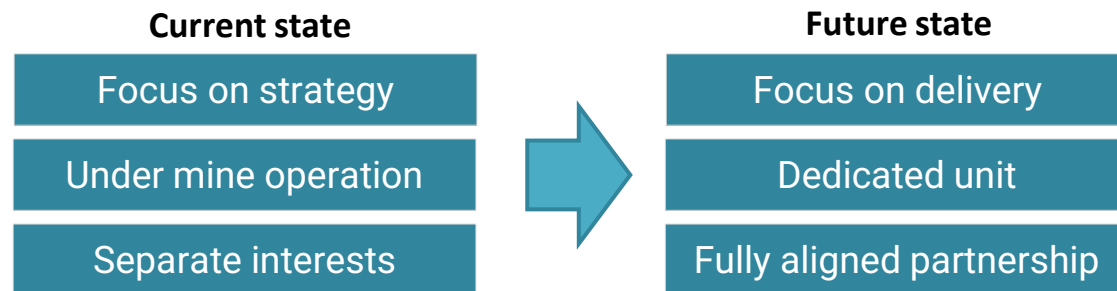
	 Pastureland & livelihood improvement	 In-migration management	 Cultural heritage
Objective	<ul style="list-style-type: none"> Mitigate the company's impacts on pastureland and water and contribute to develop sustainable rangeland management Support a sustainable and inclusive agriculture business that contribute to diversification of local economy and food safety and security of communities 	<ul style="list-style-type: none"> Avoid or minimise societal instability associated with unmanaged in-migration and to leverage sustainable development opportunities Optimise broader opportunities for future local and regional economic development 	<ul style="list-style-type: none"> To ensure the management and protection of local cultural heritage where OT operates
Key controls	<ul style="list-style-type: none"> Local Agribusiness Support strategy Khanbogd Animal husbandry sustainable development program Supporting Animal Health centre of Khanbogd soum Herders additional income generation initiatives Healthy herder projects Pasture and water access projects Participatory Environmental Monitoring 	<ul style="list-style-type: none"> Local employment strategy and joint working group Local procurement strategy and joint working group Partnership Committee DSF Board and Relationship Committee Joint monitoring on in-migration GIS survey of Khanbogd Social and infrastructure investment via DSF 	<ul style="list-style-type: none"> Land Disturbance Permit Procedure Chance Fund Procedure Community Induction OT Culture Ger run by Elders' Association Cultural Heritage site monitoring Support local national festivals Construction of local museums
			

Oyu Tolgoi strategy for Khanbogd development

\$50 million commitment by OT



The strategy transitioning into a Project



KBD project

Immediate, visible, and impactful



Tripartite Council (TPC)

Best practice and mechanism to resolve community conflict and build partnership

Objectives:

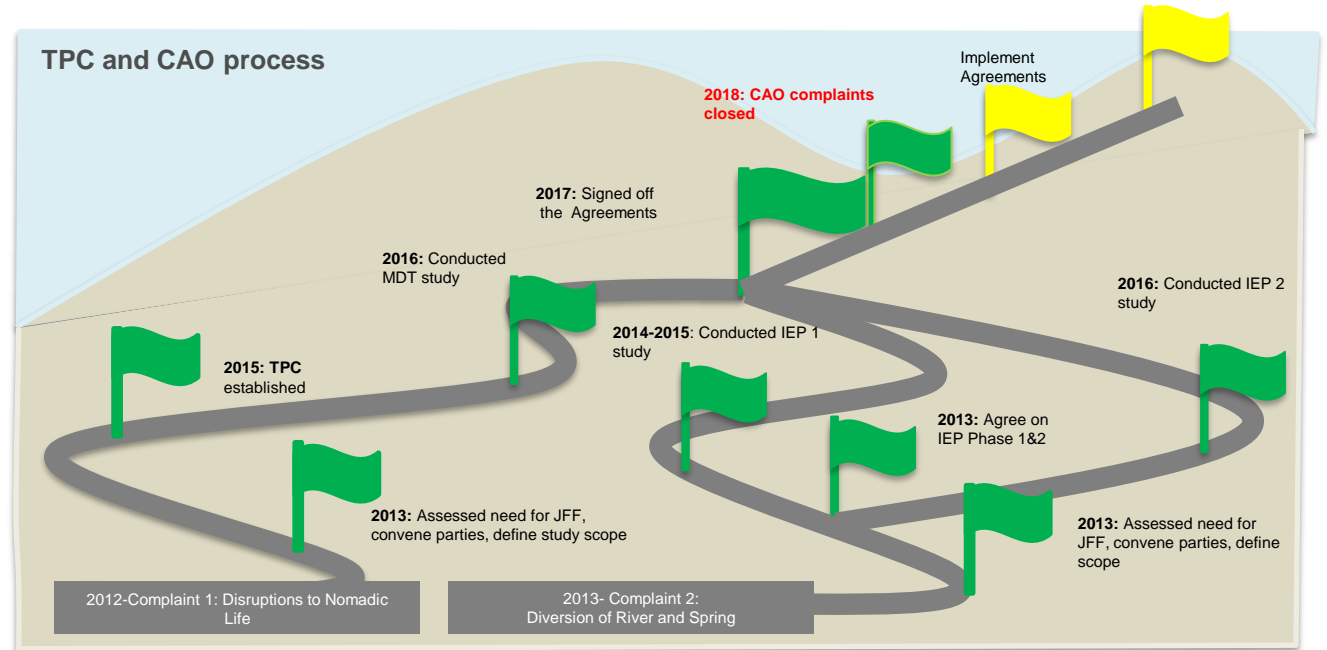
- TPC aims to ensure a full and effective implementation of two Herder Complaints Resolution Agreements and operate in an open and transparent manner.

Structure:

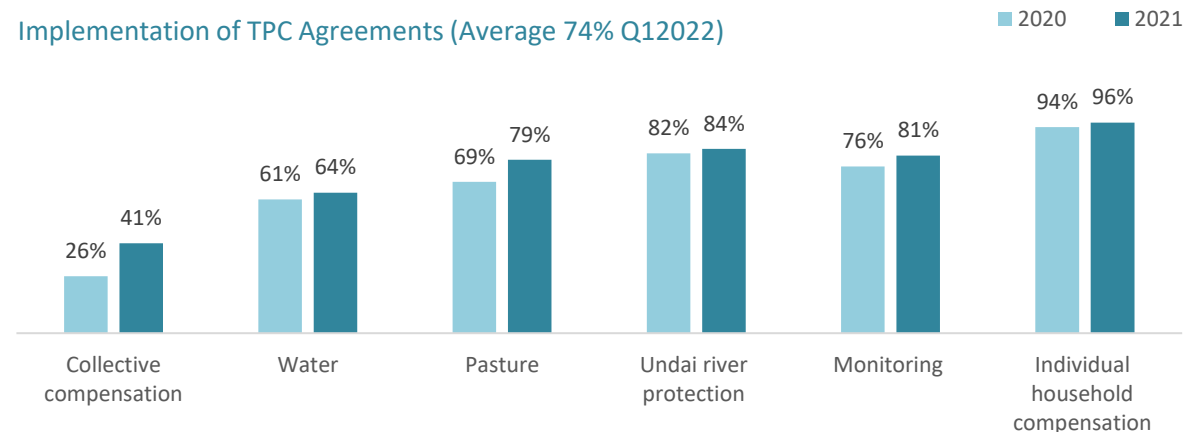
- Composed of representatives from Khanbogd soum local government, herders' representation and Oyu Tolgoi Company, was officially established in 2015.

Milestones:

- 2018 - CAO Complaints closed
- Sharing lessons learned events held in Ulaanbaatar and Khanbogd soum
- TPC Charter revised and roles and responsibilities of TPC members, secretary and advisors clarified
- 2020- Adopted Procedure of Conflicts of Interest

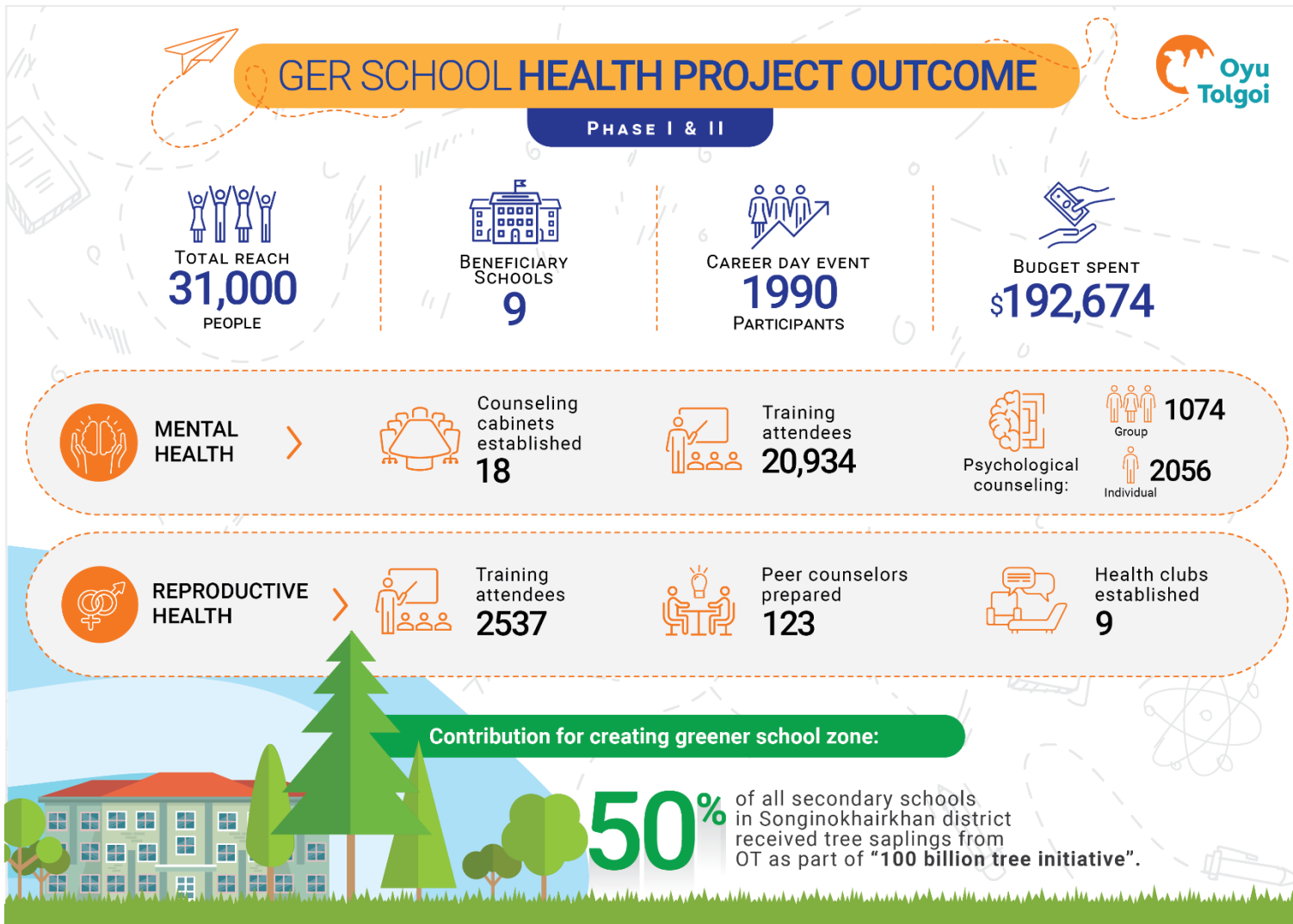


Implementation of TPC Agreements (Average 74% Q12022)

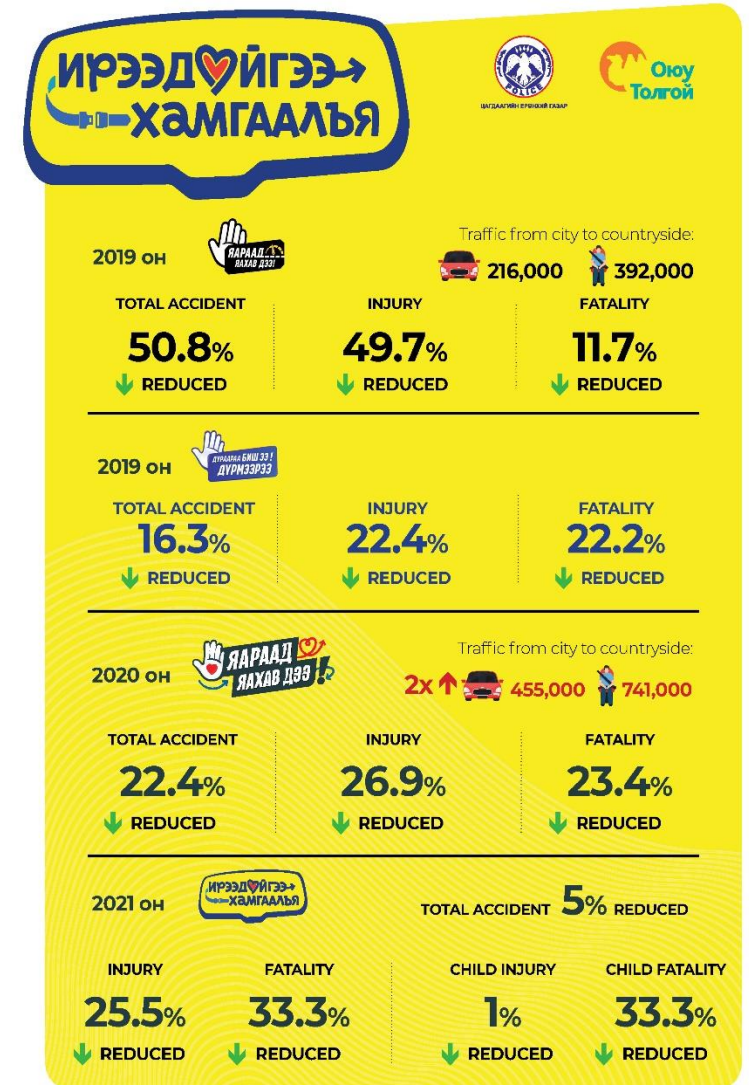


National initiatives & outcomes

Health project for youths:



Road safety project:



**Thank you
for your attention**

