2017 KEY HIGHLIGHTS

Oyu Tolgoi handed over the bulk water facility to Khanbogd on April 18, 2017. The US$6.9 million bulk water facility will provide safe, clean drinking water to Khanbogd, with a 6.6km network of pipeline distributing water across the town.

In the scope of the biodiversity offset management plan, South Gobi Sands installed an automatic pump well and water source based on solar panel to support wild rare animals in the area of Toson Bumbat.

Erdene Resources built a water pond in the Toli spring area in the scope of cooperation work for protection of the Gobi’s unique 6 wildlife with the Bayankhongor Aimag Nature and the Environment and Tourism Agency.

MAK LLC had a maintenance work done on waste water treatment facility by professional service providers and has received necessary training. The drip irrigation system was renewed and the meter was installed.

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VCP IMPLEMENTATION TARGETS FOR 2018:

- Formalize a community grievance mechanism (Gobi Coal and Energy)
- Introduce water monitoring data to communities in collaboration with the RBAs (South Gobi Sands, Energy Resources)
- Incorporate responsible mining standards into all of our assets (Erdene Mongol)
- Improve reporting of water monitoring data to RBAs (all signatories)
- Engage youth and NGOs in participatory water monitoring programs (Oyu Tolgoi)
- Maximize use of recycled water for dust suppression (Bayan Airag)
- Install at least 2 new water monitoring points (ETT, MAK)
- Develop a water pond for local wildlife (MAK)
- Installation of 2 new water wells (Erdene Resources)
- Rehabilitate and restore herder wells (Oyu Tolgoi)
VOLUNTARY CODE OF PRACTICE: MINERALS INDUSTRY AND WATER MANAGEMENT

MISSION

We acknowledge that access to water is a basic human right and voluntarily commit to the responsible, legally compliant and sustainable use of water. We will be efficient in our use of water quality and will provide broad participation in our water management activities.

In February 2016, 10 mining companies committed to a Voluntary Code of Practice (VCP) on sustainable water management. By signing the VCP, companies made a collective commitment to the efficient and transparent use of water in the South Gobi. The VCP recognizes the need for water to be managed as a shared resource. Together with government and civil society, these mining companies are committed to relieve water stress, support the development of sustainable communities and bring benefits to Mongolia.

VCP SIGNATORIES IN 2017:

- **TAXES PAID TO NATIONAL GOVERNMENT**: 624.4 billion MNT (this refers to data from 5 VCP signatories)
- **PAID WATER USE FEES**: 17.7 billion MNT (this refers to data from 8 VCP signatories)

**MISSION**

**VCP 01. ACT TRANSPARENTLY AND WITH ACCOUNTABILITY**

1700 people have visited companies' sites, and all companies have started a grievance mechanism.

**VCP 02. COMPLY WITH NATIONAL LAW AND INTERNATIONAL STANDARDS**

All companies complied with Mongolian laws and regulations and are adhering to international standards however they are urged to expand best practice and new technologies.

**VCP 03. ENGAGE PROACTIVELY AND INCLUSIVELY**

The majority of companies have a participatory water monitoring program in place and develop communication products to report to communities about water issues.

**VCP 04. EFFECTIVE WATER RESOURCE MANAGEMENT AND CONSERVATION**

Companies monitor water level and bring new technologies to optimize water efficiency and conservation at sites.

**VCP 05. CREATE POSITIVE IMPACTS**

6 companies have spent over 281.5 million MNT on local community water supply programs.

**VCP 06. SUPPORT LOCAL WATER INFRASTRUCTURE AND SERVICE**

All companies have supported projects to improve local water infrastructure and services including project on improving water supply, exploration of water boreholes for pastureland and restoration of old wells.

**DID YOU KNOW?**

MONGOLIA MINING SECTOR 2017 STATISTICS:

- **22% GDP**
- **88% Export**
- **25% National budget**

- **60.7 MILLION TONS** RESERVES COPPER
- **1.3 MILLION TONS** MINED COPPER
- **31.7 BILLION TONS** RESERVES COAL
- **19.8 MILLION TONS** MINED COAL
- **3290 TONS** RESERVES GOLD
- **49.5 TONS** MINED GOLD

For the performance of individual companies, please refer to https://www.commdev.org/south-gobi-water-and-mining-industry-roundtable/