

CBG Human Rights Due Diligence Assessment

Executive Summary

April 2023

The following report presents the results of a Human Rights Due Diligence (HRDD) assessment for the Compagnie de Bauxites de Guinée (CBG) bauxite mining operations and related activities in Kamsar and Sangarédi, including the port facilities.

The HRDD process was focused on an assessment of CBG's human rights risks and impacts and how these are currently being addressed by CBG. This assessment was conducted by LKL International Consulting Inc. (LKL International) in a participatory manner with valuable input from affected stakeholders and with the strong collaboration of CBG's management team. The HRDD process was conducted between November 2022 and April 2023.

The key objectives of the HRDD assessment were as follows:

- To support CBG in fulfilling the Aluminium Stewardship Initiative (ASI) requirements for human rights, which are closely aligned with the UN Guiding Principles on Business and Human Rights and good practices for implementing human rights in mining companies.
- To develop a long-term strategy for ongoing HRDD that is integrated into CBG's management plans, many of which have been strengthened through CBG's implementation of the IFC Performance Standards and the current process for ASI certification.
- To reinforce CBG's internal capacity and structures to support HRDD as an ongoing and cross-functional process with appropriate governance and leadership support.

The following text box sets out the core requirements for human rights in the ASI Standards.

Human Rights in the ASI Standards

Principle: The Entity shall respect and support individual and collective human rights affected by its operations. The Entity shall take appropriate action to assess, prevent and remedy potential adverse impacts on human rights in a manner that is consistent with international instruments on human rights.

9.1 Human Rights Due Diligence. The Entity shall respect Human Rights and observe the UN Guiding Principles on Business and Human Rights in ways appropriate to their size and circumstances, including as a minimum:

- a. A Policy commitment to respect Human Rights.
- b. A Human Rights Due Diligence process that seeks to identify, prevent, mitigate and account for how it addresses its actual and potential impacts on Human Rights.
- c. Where the Entity identifies as having caused or contributed to adverse Human Rights impacts, it shall provide for or cooperate in their remediation through legitimate processes.

Prior to the HRDD assessment, CBG already had developed a Human Rights Policy and there was a clear commitment to human rights and awareness within the management team that human rights are increasingly important to CBG's business partners, customers and stakeholders.

Nonetheless, the ASI certification process has provided a very good entry-point for strengthening a more systematic and cross-functional approach to ongoing HRDD. The CBG management team engaged constructively in the HRDD process, was supportive of the human rights assessment activities and was proactive in identifying CBG's salient human rights issues. Furthermore, many of the actions that have been undertaken by the different departments to implement the IFC Performance Standards and to prepare for ASI certification will undoubtedly strengthen CBG's management and mitigation of its salient human rights issues.

The history and reputation of CBG as one of the most significant companies in Guinea creates high expectations of local stakeholders for CBG to not only respect human rights, but also to provide support for human rights in the role of government. This is understandable given the government's ownership of CBG and the history of CBG providing support for worker housing and community infrastructure and services in Kamsar and Sangarédi. As CBG implements an ongoing process of HRDD, it will need to carefully manage expectations and raise awareness that the fundamental responsibilities of companies—including State-owned companies—are to focus on the prevention, mitigation and remediation of adverse impacts on human rights rather than to provide more benefits or social investments. At the same time, CBG's history and reputation provide it with substantial influence and leverage to work with other companies and

actors to improve the protection and respect for human rights through multistakeholder actions.

As human rights are an important component of evolving international standards for responsible business conduct and ESG, it is significant that CBG has already been aligning its policies and procedures with the IFC Performance Standards for several years. An Independent Environmental and Social Consultant (IESC) has been appointed since 2016 to conduct environmental and social monitoring and reporting according to the IFC Performance Standards.¹ Furthermore, an ongoing mediation with the IFC Compliance and Advisory Ombudsman (CAO) since 2019 provides additional opportunities for improvement of CBG policies and procedures on specific areas of community concern, as well as for the remediation of legacy issues and impacts.

The nature of CBG's operations, which involve surface mining over a very large region within many rural communities, present challenges for ongoing HRDD when compared to an underground or open pit mine.

As CBG's surface mining operations move from one area to another based primarily on the grade of bauxite, there will be new risks and impacts on the human rights of the affected communities—notably in terms of community lands, livelihoods, health, safety and environment that need to be continuously managed. A focus on human rights should strengthen the importance of access to information and consultation and the effectiveness of grievance mechanisms to manage these dynamic and complex risks and impacts and to maintain CBG's social license to operate with the affected communities.

In this regard, a robust process of ongoing HRDD should support the coexistence of CBG's mining operations with communities. Furthermore, ongoing HRDD needs to be approached in a cross-functional manner, which means that human rights are not the sole responsibility of the Community Relations department. The involvement and support of other departments (i.e. Mining Operations, Health and Safety, Environment, etc.) is critical for effective ongoing HRDD in relation to the potential and actual impacts on community members.

In addition, a comprehensive HRDD process must also have a strong focus on workers' rights. There is widespread agreement that CBG's direct workers generally have very good working conditions and generous benefits compared to the vast majority of workers in Guinea. The strong role of unions at CBG and more broadly in Guinea should be acknowledged in this regard. At the same time, it is also clear that ongoing leadership and actions are required to continuously improve the equality of women in the workforce and to reinforce the health and safety culture at CBG. Furthermore, a more systematic

¹ The reports of the IESC (Ramboll) are available on the CBG website.

and risk-based approach to engagement and due diligence with contractors and suppliers is a priority for CBG’s ongoing HRDD.

While CBG has direct responsibility for its ongoing HRDD process, it is not alone. There are other major bauxite mining operations in the same area and other significant mining activities being developed in Guinea. Therefore, CBG should consider where there are opportunities for multistakeholder collaboration on common human rights issues such as living wages and implementation of the Voluntary Principles on Security and Human Rights. CBG also has a responsibility to use and increase its leverage where such opportunities exist and to address potential cumulative impacts from multiple mining operations.

Moreover, CBG has opportunities to learn from its business partners and accelerate its HRDD on some of its salient issues. For example, Alcoa and Rio Tinto are both members of the Voluntary Principles on Security and Human Rights and can share good practices for managing interactions with private and public security forces. Rio Tinto also is taking leadership for more open discussion about the challenges of discrimination and harassment against women in the mining sector since the publication of its “Everyday Respect” report. As human rights become an increasingly important focus area for the global mining industry, the opportunities for learning and collaboration with CBG’s international and Guinean business partners will undoubtedly multiply.

CBG’s Salient Human Rights Issues

In terms of the substantive focus of CBG’s ongoing HRDD process, several salient human rights issues were identified and prioritized through the assessment. These salient issues were identified in a participatory manner through interviews and focus group discussions with community members, workers, contractors, civil society and government representatives during the assessment team’s site visit in January 2023. They were prioritized with input from CBG’s management team through a series of workshops that reviewed CBG’s potential risks and impacts based on the UNGP’s criteria for severity and likelihood.

Human Rights Heat Map

This section presents the Human Rights Heat Map that was developed in consultation with the CBG management team during two workshops on February 1st and 8th, 2023.

Legend

Cause	Bold font
Contribution	Regular font
Linkage	<i>Italics</i>

Severity of potential impact on people →	<i>Child or forced labour (Contractors or suppliers)</i>			Discrimination (women)	
		Women's Rights (Communities)	Information and Consultation	Community Health and Safety Environment (Water)	Land, Resettlement and Livelihoods
	Just and favourable working conditions	Grievance Mechanisms (Communities)	Security and Human Rights Safe and Healthy Working Conditions	Environment (Biodiversity)	
			Grievance Mechanisms (Workers)		Freedom of Association (Women and Contractors and Suppliers)
	Likelihood that impacts may occur →				

Workers' Rights

Freedom from Discrimination

Human rights risk rating	High severity and medium likelihood ²	
CBG's relationship to the risk	CBG causes the impacts if it has discriminatory employment policies or procedures. At the same time, it may be linked to discriminatory attitudes and practices that are more cultural in nature.	

² As discrimination and harassment were addressed as a single risk in the Human Rights Heat Map, the high severity rating was discussed primarily in relation to harassment. However, as discrimination against women has a large scope in terms of the number of women affected, it also merits a high severity rating according to the UNGPs.

CBG's management and mitigation measures	<ul style="list-style-type: none"> • Human Resources Manual, Chapter V.2 on Women Workers' Rights. • The CBG Code of Conduct, Values (p. 6) and Employment and Employees (p. 21). • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS2 on Labour and Working Conditions.
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Harassment

Human rights risk rating	High severity and medium likelihood	
CBG's relationship to the risk	CBG would be considered to cause impacts of harassment if they are conducted by CBG managers or workers. The assessment could change to contribution or linkage if the impacts take place in relation to the off-duty conduct of managers or workers or take place .	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Human Resources Manual, Chapter V.2 on Women Workers' Rights. • The CBG Code of Conduct, Values (p. 6) and Employment and Employees (p. 21). • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS2 on Labour and Working Conditions. 	

Freedom from Child Labour and Forced Labour

Human rights risk rating	High severity and low likelihood. It was noted that the greatest likelihood of child labour is in CBG's supply chain based on the prevalence of child labour in agricultural, construction and gravel mining sectors in Guinea.	
CBG's relationship to the risk	CBG would most likely be directly linked to child or forced labour impacts in its supply chain as it there is no evidence that it would incentivize such practices.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Human Resources Manual, Chapter V.3 on Child Labour and Forced Labour. • The CBG Code of Conduct, Our Employees (p. 9) and Respect for Human Rights (p. 31). • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS2 on Labour and Working Conditions. 	

Freedom of Association

Human rights risk rating	Medium severity and medium likelihood for female employees and CBG contractors	
CBG's relationship to the risk	CBG may contribute to the lack of participation of women in the union (in this regard the union has a shared responsibility) and to lack of union representation for contractors and suppliers (especially for contractors or suppliers of 25 more workers who do not have a legally required union representative).	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • 2 current Collective Agreements with relevant unions • Human Resources Manual, Chapter V.4 on Working Conditions, Chapter 5 Working Environment and Chapter 7 on Remuneration. • The CBG Code of Conduct, Our Employees (p. 9) commits to aligning working conditions with Guinean labour laws. • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS2 on Labour and Working Conditions. 	

Just and Favourable Working Conditions

Human rights risk rating	Medium severity and low likelihood of poor working conditions amongst CBG employees.	
CBG's relationship to the risk	CBG would cause impacts on the rights to just and equitable working conditions of its direct employees.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Human Resources Manual, Chapter V.4 on Working Conditions, Chapter 5 on Working Environment, and Chapter 7 on Remuneration. • The CBG Code of Conduct, Our Employees (p. 9) commits to aligning working conditions with Guinean labour laws. • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS2 on Labour and Working Conditions. • Collective agreements with unions and annual salary negotiations contribute to the just and favourable working conditions. 	

Safe and Health Working Conditions

Human rights risk rating	Moderate severity and moderate likelihood	
CBG's relationship to the risk	CBG would cause impacts on workers' health and safety	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Human Resources Manual, Chapter 3 on Health, Safety and Security, and Environment. • The CBG Code of Conduct, Our Employees (p. 9) commits to aligning working conditions with Guinean labour laws. 	

	<ul style="list-style-type: none"> Occupational Health and Safety Management Plan (OHSMP) (2018) Emergency Response Plan (2021) The annual review by the IESC monitors and report on compliance with the IFC PS, including PS2 and labour health and safety.
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Contractors and Suppliers' Workers' Rights

Human rights risk rating:	High severity and high likelihood of the overall risks to the labour rights of CBG contractors, sub-contractors and suppliers. ³	
CBG's relationship to the risk	CBG will contribute or be directly linked to contractors' and suppliers' workers rights: if it fails to exercise appropriate due diligence on workers' rights in its supply chain, CBG will be considered to have contributed to adverse impacts; however, it can demonstrate appropriate due diligence, it is more likely to be considered as directly linked to adverse impacts.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> The CBG Code of Conduct, Our Suppliers (p. 11). CBG contracts with all contractors contains an annex relating to CBG's social and environmental requirements, including the requirement to respect workers labour rights, as well as a requirement to respect CBG's Ethical Business Code of Conduct. HSEC requirements for contractors and suppliers (2022) Contractor and Supplier Management Plan (Draft 2023) The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS2 on Labour and Working Conditions (including health and safety) and reviews all management measures CBG takes with regards to its contractors. 	

Human Rights of Community Members

Information and Consultation

Human rights risk rating	Risk to communities' right to information and consultation High severity and medium likelihood	
CBG's relationship to the risk	CBG causes impacts on community members' rights to information and consultation.	

³ This risk rating combines a series of risk ratings related to the different workers' rights discussed above. Some of these are higher severity and lower likelihood (e.g. risk of child labour) and others are lower severity and higher likelihood (e.g. late payments). However, given the number of contractors and suppliers and the relative weakness of labour law protections in Guinea, the overall risk rating was assessed as high.

CBG's management and mitigation measures	<ul style="list-style-type: none"> • The CBG Code of Conduct, Communities (p. 12) commits to take into consideration communities concerns and expectations in CBG decision-making processes. • Stakeholder Engagement Plan 2022-25 • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS1 on Risk Management and Stakeholder Engagement.
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Rights related to Land, Resettlement and Livelihoods

Human rights risk rating	Risk to communities' rights linked to land, resettlement and livelihoods High severity and high likelihood	
CBG's relationship to the risk	CBG causes impacts on community members' rights to information and consultation.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • The CBG Code of Conduct, Communities (p. 12). • Stakeholder Engagement Plan 2022-25 • Resettlement Action Plans • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including PS5 on Land Acquisition and Involuntary Resettlement. 	

Community Health

Human rights risk rating	Risk to communities' health High severity and high likelihood	
CBG's relationship to the risk	CBG causes impacts on the right to health of community members who are directly affected by its mining operations (e.g. exposure to dust); however, CBG could also contribute to cumulative impacts on health to which other mining operations and activities also contribute.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Community Health and Safety Management Plan • Influx Management Plan • Water Management Plan, Air Quality Management Plan and Environmental Monitoring Plan⁴ • The annual review by the IESC monitors and reports on compliance with the IFC Performance Standards, including PS4 on Community Health, Safety and Security. 	

⁴ These management plans also are relevant to the salient issue of environment and human rights; however, water, air and other environmental impacts can also be assessed in relation to potential risks and impacts on human health.

Community Safety

Human rights risk rating	Risk to communities' safety High severity and high likelihood	
CBG's relationship to the risk	CBG causes impacts on community safety where its workers or vehicles cause accidents and injuries (and even fatalities); however, CBG could also be directly linked to impacts on community safety that are caused by other mining companies (e.g. accidents caused by other users of the railway).	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Road and Railway Safety Management Plan • Community Health and Safety Management Plan • The annual review by the IESC monitors and reports on compliance with the IFC Performance Standards, including PS4 on Community Health, Safety and Security. 	

Human Rights and the Environment

Human rights risk rating	Risk to the environment High severity and high likelihood of impacts on the right to water. Lower severity was ascribed to impacts on biodiversity.	
CBG's relationship to the risk	CBG causes certain types of impacts on the environment that have human rights implications. However, in other cases, it contributes to those impacts where there are other parties or background factors that also contribute to the impacts.	
CBG's management and mitigation measures	CBG Policies and Procedures <ul style="list-style-type: none"> • Biodiversity Management Plan • Water Management Plan • Environmental Monitoring Plan • The annual review by the Independent Environmental and Social Consultant (IESC) monitors and reports on compliance with the IFC Performance Standards, including IFC PS3 on Resource Efficiency and Pollution Prevention, and PS6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources. 	

Cross-Cutting Human Rights Issues

Security and Human Rights

Human rights risk rating	Medium severity and medium likelihood	
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CBG's relationship to the risk	CBG will most often contribute or be directly linked to the impacts caused by public or private security forces. However, if CBG has effective operational control over security forces, it may be considered to cause the impacts.
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Security Management Plan • CBG Code of Conduct • Training on security and human rights for private security providers.

Grievance Mechanisms

Workers Grievance Mechanisms

Human rights risk rating	Medium severity and medium likelihood	
CBG's relationship to the risk	CBG would cause impacts on access to remedy if it does not have effective grievance mechanisms for its workers. It would contribute to impacts on contractors and suppliers' workers' rights if it does not use its leverage to require contractors and suppliers to have effective grievance mechanisms.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Labour Relations Committee • Divisional Human Resources Counsellors • Ethics Committee • Complaints boxes • Employee hotline (numéro vert) • The annual review by the IESC monitors and report on compliance with IFC Performance Standard 2 on Labour and Working Conditions. 	

Community Grievance Mechanisms

Human rights risk rating	Medium severity and medium likelihood	
CBG's relationship to the risk	CBG would cause impacts on access to remedy if it does not have effective grievance mechanisms for the community members who are affected by its operations and activities.	
CBG's management and mitigation measures	<ul style="list-style-type: none"> • Community Grievance Mechanism • Stakeholder Engagement Plan 2022-25 • Resettlement Action Plans • The annual review by the IESC monitors and report on compliance with the IFC Performance Standards, including the management of community grievances in relation to PS1 and PS5. 	

Next Steps

The HRDD Assessment provided a number of recommendations for each of the above-noted salient human rights issues and for the overall governance of CBG's ongoing HRDD. A Human Rights Action Plan will be prepared when the salient human rights issues and recommendations are validated with CBG's internal and external stakeholders. CBG will communicate progress in a culturally appropriate manner as part of its commitment to transparency and meaningful engagement to key stakeholders.