



# Guinea Alumina Corporation Conakry, Republic of Guinea

## GAC PROJECT

### IESC Monitoring Report: Seventh Monitoring - Remote Audit January 2022 – Executive Summary

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## ABBREVIATIONS AND ACRONYMS

<b>AfDB</b>	African Development Bank
<b>ARRC</b>	Avoid-Reduce-Restore-Conservation Task Force (IUCN)
<b>BAP</b>	Biodiversity Action Plan
<b>BEN</b>	Bauxite Environmental Network
<b>BMEP</b>	Biodiversity Monitoring and Evaluation Plan
<b>BMP</b>	Biodiversity Management Plan
<b>BOSIP</b>	Biodiversity Offset Strategy and Implementation Plan
<b>CAGF</b>	FODEL Management Support Committee (Comité d'Appui à la Gestion de FODEL)
<b>CASSM</b>	Company for Security Support of Mining Companies (Compagnie d' Appui à la Sécurité des Sociétés Minières),
<b>CBG</b>	Compagnie des Bauxites de Guinée,
<b>CBNRM</b>	Community-Based Natural Resources Management
<b>CCAHD</b>	Consortium for the Conservation of the Atlantic Humpback Dolphin
<b>CE</b>	Critically Endangered (on IUCN Red List)
<b>CEO</b>	Chief Executive Officer
<b>CERE</b>	Centre for Environmental Studies and Research (Centre d'étude et de recherche en environnement)
<b>CFB</b>	Chemin de Fer de Boké
<b>CHA</b>	Critical Habitat Assessment
<b>CIS</b>	Community Investment Strategy
<b>CLO</b>	Community Liaison Officer
<b>COVID-19</b>	Coronavirus Disease 2019
<b>EBZ</b>	Environmental Buffer Zone
<b>EcoS</b>	Ecosystem Services
<b>EDC</b>	Export Development Canada
<b>EGA</b>	Emirates Global Aluminium PJSC
<b>EHS</b>	Environmental, Health and Safety
<b>EHSMS</b>	Environment, Health and Safety Management System
<b>EMP</b>	Environmental Management Plans
<b>EMS</b>	Environmental Management System
<b>EPRP</b>	Emergency Preparedness and Response Plan
<b>ESAP</b>	Environmental and Social Action Plan
<b>ESMP</b>	Environmental and Social Management Plans
<b>ESHS</b>	Environmental, Social, Health & Safety
<b>FODEL</b>	Local Economic Development Fund (Fonds de Développement Economique Local)
<b>FOOS</b>	First Ore On Ship
<b>GAC</b>	Guinea Alumina Corporation SA
<b>GCM</b>	General Control Measures (in BMP)
<b>GIIP</b>	Good International Industry Practice
<b>GIS</b>	Geographic Information System
<b>GBV</b>	Gender Based Violence
<b>HC</b>	Human Capital
<b>HR</b>	Human Resources
<b>H&amp;S</b>	Health & Safety
<b>HSE</b>	Health, Safety and Environment

<b>IESC</b>	Independent Environmental and Social Consultant
<b>IFC</b>	International Finance Corporation
<b>IUCN</b>	International Union for Conservation of Nature
<b>IUCN/SSC PSG SGA SSA ARRC</b>	IUCN Species Survival Commission, Primate Specialist Group, Sections on Great Apes and Small Apes, Avoid-Reduce-Restore-Conservation Task Force
<b>IWMP</b>	Integrated water management plan
<b>KBA</b>	Key Biodiversity Area
<b>KPI</b>	Key Performance Indicators
<b>LACRF</b>	Land Acquisition, Compensation and Resettlement Framework
<b>LTI</b>	Lost Time Injuries
<b>LTIFR</b>	Lost Time Incident Frequency Rate
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>MoU</b>	Memorandum of understanding
<b>NGO</b>	Non-Governmental Organisation
<b>NG</b>	Net Gain
<b>NNL</b>	No Net Loss
<b>OHS</b>	Occupational health and Safety
<b>OS</b>	Operational Safeguard
<b>PAP</b>	Project Affected People
<b>PDS</b>	Pre-Disturbance Surveys
<b>PIIM</b>	Project Induced In-Migration
<b>PS</b>	Performance Standard
<b>RAP</b>	Resettlement Action Plan
<b>RO</b>	Reverse Osmosis
<b>SCM</b>	Species-specific Control Measures (in BMP)
<b>SEIA</b>	Social and Environmental Impact Assessment
<b>SEP</b>	Stakeholder Engagement Plan
<b>SHE</b>	Safety, Health, Environment
<b>SHEC</b>	Safety, Health, Environment, and Community
<b>SMP</b>	Security Management Plan
<b>SMS</b>	Social Management System
<b>SNAPE</b>	National Water Service (Service National des Points d'Eau de Guinée)
<b>SOP</b>	Standard Operating Procedure
<b>SPV</b>	Special purpose vehicle
<b>SSC</b>	Species Survival Commission
<b>STP</b>	Sewage Treatment Plant
<b>SYDEV</b>	Synergies and Development (an NGO)
<b>TBC</b>	The Biodiversity Consultancy
<b>ToR</b>	Terms of Reference
<b>TPI</b>	Technology Partners International
<b>UCOMB</b>	Unité de Coopération pour l'Offset Moyen Bafing
<b>USTG</b>	Union of Workers of Guinea ' <i>Union Syndicale des Travailleurs de Guinée</i> '
<b>WCF</b>	Wild Chimpanzee Foundation
<b>WHO</b>	World Health Organization
<b>WWTP</b>	Wastewater Treatment Plant

## EXECUTIVE SUMMARY

RINA Consulting S.p.A. (formally D'Appolonia), has been appointed to act as the Lenders' Independent Environmental and Social Consultant (IESC) to monitor the construction and operational phase of the Guinea Alumina Corporation (GAC) Project. The IESC scope is to assess compliance with the Environmental and Social Management Plan (ESAP) and the Environmental & Social Requirements of the Project during the life of the loan agreement and Multilateral Investment Guarantee Agency (MIGA) guarantee of the GAC 'Project'. Specifically, the IESC is tasked with undertaking Environmental, Social, Health & Safety (ESHS) monitoring throughout the construction and operation phases of the Project, to verify whether Project plans and procedures and Lenders' environmental and social requirements (including International Finance Corporation (IFC)) Performance Standards; applicable IFC Environmental, Health and Safety (EHS) Guidelines, African Development Bank (AfDB) safeguards policy), are properly implemented at field level during the ongoing activities

The Project includes the mining of bauxite within GAC's concession in the Boké province of Guinea, the operation of a port terminal with an offshore export berthing facility at Kamsar, and railway spurs connecting the bauxite mine and the port terminal to the existing railway system. The Project entered the start of Operations on the 30<sup>th</sup> July 2019, and is now fully operational.

This report presents the IESC's findings of the Project status at the time of review of the seventh monitoring event post financial close. The intent had been to undertake an in-person audit in November, however due to the Omicron Covid-19 outbreak it was postponed to January 2022. As the outbreak was still presenting risks for the audit it was agreed with lenders and GAC, this was converted into a virtual SSV at the end January 2022. There is no anticipated impact to the 2022 review schedule of two in-person audits, with the next as planned in May 2022. This remotely audit was conducted through a series of interviews using Microsoft Teams, which involved the GAC team, and the IESC and Lenders based in their representative base offices, in Africa, Europe, and Canada. The interviews were conducted between the 31<sup>st</sup> January and 3<sup>rd</sup> February 2021, with a wrap-up session on Friday 4<sup>th</sup> February 2022. As with the last remote audit, the lack of the site visit was partially off-set through the use of a series of drone films shot across the main Project elements which enable a high-level appreciation of the state of the operations and resettlement communities. Additional information and photographs were requested after the interviews, with the documentation cut-off date the 14<sup>th</sup> February 2022, to provide the IESC more clarity or verify several discussion items.

As with the IESC's remote sixth audit, this remote monitoring event allowed a detailed review of the status of GAC's management team, published documents, and review of previous actions. GAC's team were again open and supportive of the process, and the remote audit and interactions built on the learning from undertaking the previous remote audit. It was also an opportunity to remotely meet the Project's new Environment Manager who was in the handover phase with the outgoing Environmental Manager who was due to depart at the end of February. Following this IESC review based on the discussions and review of documentation, the IESC considers that GAC has now closed out 44 of the 48 ESAP items. The remaining items are largely closed, with evidence presented on plans to close the item and/or the need for further confirmation of progress at the next IESC monitoring activity.

The remote nature of the audit did not however allow visual verification of the performance of GAC or the ability of the IESC to identify potential new areas for discussion and assessment which are relevant to GAC's compliance with Lender requirements, and/or areas where the IESC might provide suggestions to GAC for further improvements to their ESHS performance. Overall, the IESC considers the remote audit was a success, but would stress the need to undertake a detailed site visit if feasible for the future eighth monitoring audit which is planned for May 2022.

### SHEC<sup>1</sup> Management

The Safety, Health, Environmental, and Community Relations Management structure remains in essence the same as for the sixth IESC monitoring event (June 2021) with some changes to senior personnel in Q1 2022 with the planned change of Environment Manager being now in place. .

Safety continues to be overseen by two H&S Superintendents, one for the Mine and one for the Port, who report to the SHE Manager. The Chief Medical Officer (who also reports to the SHE Manager) oversees medical staff and offices (including ambulances) at the Mine and the Platform/Port. The Environmental Manager reports to the SHE Manager. The SHE Manager and Biodiversity Management Specialist roles are both expat filled.

All social related aspects of GAC's operations are led by the General Director/Deputy CEO who is responsible for the departments of Stakeholder Engagement, Human Capital, Government Relations and Security. The

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<sup>1</sup> The document uses the term SHEC (Safety, Health, Environment, and Community) as used by GAC, which is equivalent to the traditional ESHS (Environment, Social, Health & Safety).

Stakeholder Engagement Department is managed by the Manager of Community Relations and Project Control Manager. The Project Control Manager oversees the implementation of the Community Investment strategy, while the Manager of Community Relations is supported by six superintendents in charge of i) Compliance, Influx Management and Livelihood Restoration, ii) of Communications and Special Needs, iii) Community Relations and Conflict Management, iv) Compensation, v) Grievance Management and Social License to Operate, and vi) Resettlement and Post Resettlement. Over this review period, of the position Livelihood Restoration Superintendent was eliminated and the Superintendent of Compliance and Influx Management was assigned that responsibility. GAC conducted a capacity assessment to ensure enough resources are assigned to implement the Social Management System (SMS) for operations. Some plans and programs still refer to positions were eliminated in the past year.

The Environmental Management System (EMS) and SMS procedures are completed and have been uploaded/integrated to SharePoint DMS, and there has been improved document management (Teams/Borealis/ArcGIS). An SHEC Integration Committee has been formed to oversee the roll-out and operationalisation of the Operational Environmental and Social Management System (OESMS).

### Environment

As well as the planned change of the Environment Manager, the “Superintendent: Environmental Compliance Monitoring” left the senior environment team in July 2021 and the position is proposed to be formally filled through an internal promotion of a current Monitoring and Compliance Officer. The “Supervisor - Waste and Resources Management” continues to manage the local contractor team which receive, and process the wastes generated and dispatched to the waste management facility.

The laboratory has been upgraded so that it is able to undertake all the necessary analysis and not rely on external laboratories other than for validation/QA purposes. As the IESC understands this capacity along with the team having the majority of the necessary equipment for water monitoring and dust monitoring provides GAC with the capacity to undertake detailed environmental monitoring. The full extent of the monitoring and the data use will be assessed at the next audit.

The Project continued to track the key resources being used of fuel and water. Monthly Greenhouse Gasses (GHG) emissions resulting from the combustion of diesel are presented on the environmental score card to senior management. Monthly Scope 1 GHG emissions through 2021 averaged at 5,392t CO<sub>2</sub>eq/month (64,710 t CO<sub>2</sub>eq for the year) with December having the highest emissions with 6,824 t CO<sub>2</sub>eq/month.

The Key Performance Indicators (KPIs) are calculated for the carbon footprint of the bauxite mined, ore loaded to the train, and ore exported. The averages for these in 2021 were 4.07, 5.80, and 5.69 kg CO<sub>2</sub>eq/t respectively compared to a target KPI of 4.9 kg CO<sub>2</sub>eq/t. This target is based on an industry average for bauxite mining, and the IESC is not clear if this KPI is directly comparable (e.g., should the GAC KPI include transport to the port), but indicates that GAC is emitting more GHGs per tonne of ore than the industry average (the range for industry used in producing the average is not publicly available). It is noted that for the month of December energy intensity emissions were lower reflecting the higher throughput with 4.3 kg CO<sub>2</sub>eq/t for ore exported. Further debottlenecking and the planned move to 150 wagon trains would be expected to further improve this CO<sub>2</sub> emissions KPI.

GAC presented information on the focus on sustainability by EAG, and its net zero emission targets, and recognised that this is increasing GACs focus in these areas. This is reflected in GAC collecting significantly more granular data on fuel use emissions which allow it to distinguish what GHG emissions are from the mine or the port, or between the mine equipment and electricity generation, will allow GAC to focus on where improvements (reductions) in GHG emissions can be made. The implications for GAC arising from Guinea's commitments at the 26<sup>th</sup> UN Climate Change Conference of the Parties (COP26) was no assessed during this audit but will be reviewed at the next monitoring audit.

The period since the seventh IESC remote audit, has been largely covered by the wet season and water use has averaged at 14,988 m<sup>3</sup>/month for Q3 and Q4 (compared to for preceding six-monthly average of 37,055 m<sup>3</sup> covering the dry season). This equates to an average over 2021 of 0.019 m<sup>3</sup>/t of ore exported which is significantly lower than the industry average of 0.404 m<sup>3</sup>/t<sup>2</sup> [1]. The water use has also decreased compared to 2020, however this variation between years may be due to the nature of the areas being worked rather than improved water efficiency. Once GAC has water meters in place (this action anticipated to be addressed in 2022) it will be able to

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<sup>2</sup> See above reference #4

assess the data in greater depth and assess where the main water demands are and develop area specific KPIs, enable local area accountability for water use, and encourage water efficiency drives.

The most notable change to waste management at the Project is the construction of the planned waste management area on the Kamsar Platform, at the time of the audit this was largely complete, although still required the installation of the incinerator. The challenge has been dealing with the significant one-off volume of waste generated by the clearance of containers and other areas at the Kamsar Platform which has resulted in a significant stockpile of waste to deal with at the main site. This issue has been compounded by a breakdown of one of the incinerators which requires an electrical contractor to fix. GAC has identified two new NGOs to take its waste for recycling, one has taken 10T of plastic waste, and another taken conveyor belts for reusing as alternative products including sandal/shoe soles, and mud guards. GAC intends to audit these facilities early in 2022 to ensure that products are being used responsibly and not leading to contamination. The outcomes from these audits will be reviewed by the IESC in the next monitoring visit.

Over the reporting period there have been further non-compliances with the discharge from both the wastewater treatment plants (WWTPs as known as sewage treatment plants or STPs) at Tinguilinta and the Kamsar Platform. Previously these had been impacted by the introduction of mixed liquid waste which kills off the bacteria. This results in high non-compliant COD discharges, along with high coliforms and E Coli, which given the proximity to the local community paths could potentially present a community health issue at Tinguilinta. The current issues appear to be, at least partially, related to a lack of aluminium sulphate which is required for flocculation of the organic material, the lack of this supply results in high COD in the next stage of the process which the STP is not designed to manage. GAC needs to implement actions to prevent future occurrences of such outages, these actions may include recruiting a dedicated specialist with knowledge of SP operations and chemistry or internal specialist training.

GAC has continued the air monitoring of particulate matter (PM2.5 and PM10). No issues were reported regarding compliance with the 24-hour limit, and will be evaluated in detail at the next IESC audit. The ERM revision of the air modelling has been completed (December 2021), and as a result GAC is adapting its air monitoring programme. This includes three air monitoring locations which have been installed at the Kamsar Platform. GAC has also been evaluating community participation in the monitoring enabling more data to be gathered and should also result in the communities assisting protect the monitoring equipment, such as the diffusion tube monitoring.

The IESC understands that GAC is still planning to upgrade its groundwater monitoring network as several of the existing locations have been either destroyed by mining or were not installed correctly. The IESC recommends that the positioning of the new locations is considered carefully to ensure that GAC maximises the environmental data the new locations provide, such as information on the groundwater levels around headwaters.

### Health and Safety

The review of the monthly safety performance shows GAC continues to operate at a high level with regards to the proactive focus on task observations, SHE training, SHE walkdowns, with the highlights of the monthly reports showing responses to incidents and current topics. The skills and capacity of the H&S Manager were considered to be high. The presentation and discussion on H&S was open in describing GAC's lessons learnt and recognitions of failures in for example correctly evaluating all hazards associated with task, or seeking safer working approaches such as the approach to filling a water bowser which had resulting in an LTI. There has been a site wide review of working from heights arising from these observations, including supporting tasks such as replacing lights or working on roof repairs.

At the end of Q2 GAC rolled out an SAP mobile app which allowed the reporting of H&S observations and has resulted in over 1,000 per month being posted. At this stage this is limited to supervisor level due to literacy issues of going lower. This has been tied to incentivisation and targets. Actions arising will be automatically sent to supervisors in Q1 2022.

GAC has continued using the informative 'score' card approach on occupational health and Safety (OHS), tracking leading and lagging indicators, including malaria cases and malaria lost days. Through the wet season malaria cases increases as normal and there were 24 cases in December bring the total for 2022 to 80 and 198 lost days

The IESC understands that the new medical centre on the Tinguilinta site is fully functioning, otherwise there have been no significant changes to the medical facilities. The roll out of Covid vaccinations has continued and included as of December 2022 nearly 98% of GAC employees are fully inoculated. GAC had conducted 3959 covid tests and had 221 positive results of which 17 were still active at the end of December 2022.

During the reporting period there was natural fatality through cardiac arrest of a long-standing member of the catering and services team members working for KRSS (formally Aden Services). In addition, there was a fatality with a member of the public dying on the railway when a train was being operated by CBG; while this operation is not under GAC's control they did provide feedback to CGB on their investigation and the root causes. There was also a Covid-19 related death offsite involving a double vaccinated expatriate. It is understood that none of these were required to be recorded in GACs H&S statistics. As of the end of 2021 the lost time injury frequency rate (LTIFR) was 0.27 which is above GAC's target of 0.2, the rate went above 0.2 in June 2021 and has been decreasing since that point. In December there were 19 incidents occurred in December which included one high potential near miss, two first aid cases and one environmental incident.

### Biodiversity

Historically, there have been a significant number of non-conformances (NC) related to PS6 requirements, several of which had been ongoing for multiple years without adequate resolution. Limited visits to site have meant direct assessment of progress has been challenging. However, observations during this review indicate GAC have increased their efforts on implementing the biodiversity management work program. Five NCs have been closed as a result, with two new NC's (one of which incorporates the requirement of a closed NC); therefore, there are now six PS6-relevant NC's currently open in the Issues Table (Section 2), one of which (M2.3) is listed in the Environment section as it has cross-cutting implications.

#### *Biodiversity Team staff and resources:*

As GAC is operating in an area of Critical Habitat, their ability to implement the required biodiversity management program is primarily dependent on having sufficient capacity, capability, and resilience either within the Biodiversity Team or to manage/interpret the work of external contractors. The core three-person Biodiversity Team has now been in place with consistent incumbents for nearly two years, with two Biodiversity Technicians reporting into the Biodiversity Supervisor for nearly a year. A full complement of 20 field Para-Technicians completes GAC's biodiversity team resource. During the second half of 2021, the Biodiversity Team members undertook a self-guided Training Needs Analysis to identify where their skills capability could be enhanced. Training needs identified will be managed by the new Environment Manager, taking into account the forthcoming OESMS training program rollout. Parts of the biodiversity program straddle both the Community and Biodiversity Team's workplans and active Community Team support is required to achieve PS6 requirements.

#### *Biodiversity Management Program:*

The Biodiversity Team have undertaken a major reworking of the Biodiversity Work Plan shared with Lenders. The Work Plan is now structured in alignment with the Biodiversity Management Plan (BMP) and Biodiversity Monitoring and Evaluation Plan (BMEP), thereby providing Lenders with a detailed, more systematic status update on how (a) general and species-specific control measures in the BMP are progressing, and (b) how BMEP monitoring actions are being implemented. The IESC commend the Team on adopting this approach, refer Lenders to the Work Plan and can close the NC M1.12. The list of KPIs included indicate actions will be tracked in GAC's performance assessments. As the next IESC review should be via in-country visit, discussions on implementation status details can at least then be more targeted.

Initially expected by the end of 2021, GAC's forthcoming Biodiversity Action Plan (BAP) is currently under internal review and should be available by mid-year 2022. Lenders will be keen to review this as it will provide the first overview of how GAC intends to achieve and demonstrate NNL and NG across all required priority species and habitats. A new NC (M7.1) is included in the Issues Table until a Lender/IESC approved BAP is available.

No unauthorised land disturbance incidents occurred during the reporting period, where land was accidentally cleared outside of the permitted footprint. GAC advise the Land Disturbance Procedure continues to be implemented, and GAC presented a run-through of the permit process and a disturbance-to-date map. Only one land disturbance permit was issued during the reporting period.

In the last IESC report's discussion of incidents from stormwater run-off, Lenders will recall delays in DTP's development of stormwater readiness plans due to high staff turnover and lack of resources; plans have now been implemented. For this review, GAC advised that two further high turbidity incidents occurred. For both high turbidity incidents, the slides provided state these incidents were "deemed possibly not to negatively impact the fish species", because the NTU levels were <1000 NTU. However, much lower changes in NTU can give rise to concern for aquatic systems, and would depend not only on the species affected, but also on the range of fluctuations from 'normal' NTU. Considering the level of freshwater CH-qualifying species, we recommend GAC consider how best to determine freshwater ecological impact from these events.

GAC advise that a total of 24ha of land were made available for rehabilitation during the reporting period, and 7.4ha were rehabilitated. All 8 of the borrow pits now have been released from mining, and rehabilitation is complete at 7

pits (1 area still requires some backfilling). Of the 8 pits, the landowners of 6 pits requested a mix of indigenous fruit trees be planted, and 2 requested cashew trees – apparently, the price of cashew nuts has drastically reduced yet the fruits can be sold at local markets, plus provide medicinal and ecological value. GAC will be looking to rehabilitate roughly 140ha in the coming months as the first mined areas become available. Plants for revegetation will be sourced from a combination of both company and community-owned nurseries, recently established and mentored by GAC's contractor.

GAC has the responsibility to optimise future road network design, to avoid fragmentation wherever possible, and ensure wildlife corridors will be retained. With Plateau 31 potentially being mined imminently, and new roads constructed, the IESC reiterate the road network be planned strategically. In this instance, the pre-clearing survey indicated the presence of headwaters and several CH-qualifying species that GAC advised road re-routing could avoid.

A detailed 2022 workplan has been provided for the Bauxite Environmental Network, with which GAC liaise regularly. A total annual budget of USD 650,000 is indicated for the work program. Successful long-term outcomes from this collaboration will be required to ensure cumulative impacts are managed across the Boké and Kamsar land- and /sea-scapes.

#### *Biodiversity monitoring and evaluation program (BMEP):*

For this review, GAC were finally able to provide a detailed breakdown of monitoring actions being implemented, a forward schedule of planned monitoring and information on early data gathered to date. The IESC feel that an overdue milestone has now been achieved, as the BMEP is finally being implemented. The IESC therefore closes NC M3.8. There are still a few gaps in full implementation such as annual verification by international specialists of certain datasets, but the Biodiversity Team are putting plans in place to fill such gaps by Q4 2022.

GAC advise monitoring has now commenced for the majority of CHA priority species, and highlights are presented in 6.2.2.3. General monitoring is being undertaken primarily by the community Para-Technicians. Camera traps are now in place across both the north and south concessions. GAC has engaged NatureMetrics to undertake analysis of eDNA samples taken from freshwater systems at the concession, which will align with a similar approach by CBG. To undertake this field work, GAC have contracted Guinean firm SAMEC to undertake both eDNA sampling and field observation surveys. The initial results from the sample analysis have been mixed, but the approach will continue hopefully with samples from the full recommended locations list, plus expansion to additional locations to help build a broader knowledge base.

SAMEC is contracted to develop 6-monthly monitoring reports compiling all monitoring across both mine and port sites.

The IESC encourage GAC to consider how the Biodiversity Dashboard indicators can now be used to report performance and guide adaptive management, so that data is not collected for the sake of data collection. GAC advised that performance tracking will be reviewed once the Quality Hectare work (see below) is complete – IESC recommend this be complete by the end of Q3 2022 for review before year end.

This should help GAC demonstrate to Lenders that mitigation/control measures are being systematically implemented (and are effective), that residual impacts (biodiversity losses) are being tracked and as predicted, and that NNL and NG are on track and deliverable.

#### *Residual impacts, metrics, offsets, and onsite set-asides:*

GAC's external consultants, Biotope, completed the Quality Hectare (QH) methodology in Nov 2021. Detailed feedback was provided by the IESC to GAC in December 2021. On-site training for the methodology was provided to the Biodiversity Team during December 2021. Whilst on site, the Biotope specialists also did some ground-truthing field work at the concession. The Field Technicians and Para-Technicians will be trained identifying and recording condition assessment as per the Field Guide developed alongside the methodology. In general, the approach developed for GAC seems well structured, builds from existing QH methodologies and should in theory enable GAC to deliver information on vegetation based QH loss/gain. GAC has shared the Vers.2 methodology with CBG who also intend to apply a similar QH methodology on site. Version 3 of the QH methodology was due by the end of 2021, which was to incorporate findings from the ground-truthing and feedback from the on-site training – this is not yet available.

The Biotope proposal included an assessment of the land use cover and land use cover change around the port and the mine concession from 2008 to 2017/18 but this report is not yet available – this should be shared with Lenders/IESC when available, although no timing on completion was provided. GAC have not confirmed any agreed future work program with Biotope, but the IESC recommend further external specialist review in the future, to fine-

tune and ensure adherence to the methodology, robustness of assessments undertaken by GAC and assistance with analysis of findings (to help GAC fully understand NG and NNL implications).

Presentations didn't provide detail on how the QH methodology fits into the full biodiversity gain program, but this must be expanded on in the forthcoming BAP. As flagged previously, good practice (e.g. the BBOP Standard, IUCN technical conditions, etc) emphasises the use of consistent comparable metrics for measuring both losses and gains. This will make it more feasible for both GAC and Lenders to understand how and whether NG and NNL will be achieved (whether for chimpanzees, restricted range species, etc). It is not currently clear how the offsite offset at Moyon Bafing will achieve a net gain for Western chimpanzees demonstrating how potential chimpanzee losses will be compensated by equivalent gains is the responsibility of GAC (not WCF) to demonstrate to Lenders – this responsibility has not yet been fully 'owned' by GAC's Biodiversity Team.

Lenders await updated loss/gain data based on monitoring data and actual project activities to date, and interim targets, so that progress can be tracked over time. For this not to be clear at this stage of operations is a matter of significant concern for Lenders. This is a key Lender risk and PS6 compliance gap – therefore NC M4.5 is retained.

Detailed slides on Action Plan implementation by Objective were provided by the Moyon Bafing Offset Program (MBOP) Technical Field Manager, and the IESC refers Lenders to the presentation for this detail – some highlights are presented in 6.2.2.4.2. The 2021 Annual Report from Wild Chimpanzee Foundation has been developed and shared, as has a Field Monitoring Dec/Jan visit report from the MBOP Manager. The MBOP Director resigned in Aug 2021 and the role is still unfilled. More regular visit to the Park are planned for 2022.

As noted in RINA's 2021 Offset Review (of the 2020 offset program), the IESC strongly believe that development of a Biodiversity Offset Management Plan for the MBOP would allow GAC (and CBG) to set clear objectives for, and outcomes from, the offset program related to what the offset should achieve and how. Clarity is required between those obligations on the Implementing Partner and those of the companies requiring successful outcomes from the MBOP – refer to Recommendations in the RINA 2021 Offset Review, and new NC M7.2 in the Issues Table. The forthcoming annual RINA MBOP Review would benefit greatly from a visit in country to meet with key stakeholders and to visit the Moyon Bafing site. RINA's next review of the Moyon Bafing Offset Program is planned for May 2022, tied to a visit to the Park by RINA's Biodiversity and Community Specialists.

Lenders may be aware of a report produced last year by IUCN's ARRC Task Force on the GAC/CBG MBOP. Although recognising the benefits to chimpanzees from the MBOP and associated opportunities with the MBOP, it is also fairly scathing in its assessment of the offset – see end of Section **Error! Reference source not found.** for further detail.

To compensate for losses of mangrove due to construction of the Kamsar port, GAC has had challenges with their mangrove offset restoration program since Due Diligence. To date, mangrove restoration has not delivered any gains to offset losses. Over the last 2 years, GAC have undertaken another review, to better identify mangrove offset restoration locations and techniques. GAC engaged researchers from the University of the Sunshine Coast (USC) Australia on a three-stage program. GAC state this program has now been completed, however significant gaps arose through their study due to Covid-19 restricting visits to site. Their final report seen by the IESC noted heavy caveats in recommendations as most of the data requested remoted of GAC had not been provided to the USC team e.g. site-specific biophysical conditions, and photo/video imagery of different sites. The USC team state they had insufficient data to make precise recommendations for new restoration sites for GAC's mangrove restoration program. They suggest once site characterisation work can be completed (and it is not clear whether this has been done) rice paddy restoration to mangroves might be suitable but needs further investigation. On the data they had suggested sites included the Taïgbé and Taïdy islands, plus in the nearby Rio Kapatchez Ramsar site. The latter site at Rio Kapatchez was also recommended in the original ERM feasibility study in 2014 – the site has subsequently been reported as degraded due to rice paddies encroachment, but with still sufficient mangrove habitat to indicate that conditions are still suitable for healthy restoration. Nature positive initiatives could help restore abandoned rice paddies to healthy mangrove (and mangrove then in turn help any protect rice field behind the mangrove from encroachment), giving GAC the opportunity to restore an internationally recognised Ramsar site.

Lenders will recall from previous reports the Mohamed bin Zayed (MBZ) Species Conservation Fund, financially supported by Mubadala (an owner of EGA), and their support for conservation research in the Guinean marine environment for 3 years. There are 3 program components, that align with GAC's additional conservation actions as part of their NG and NNL responsibilities. These focus on the conservation of the African manatee, the Atlantic humpback dolphin, and turtles of the Tristao Archipelago on the north coast of Guinea. The Progress Report shared indicates that approx. USD 150,000 had been disbursed by end of Sept 2021, equating to approximately 10% of the MBZF's allocation to projects in Guinea.

*Legally protected and internationally recognised areas:*

GAC's concession includes part of the Boulléré Key Biodiversity Area, which straddles the boundary of the neighbouring CBG concession. As a KBA is considered an internationally recognised area within IFC PS6, there are certain requirements on clients operating in such areas. One of these requirements is to implement additional programs as appropriate, to promote and enhance the conservation aims and effective management of the area. During the Lender's Due Diligence process, discussions were held on GAC's potential actions to preserve biodiversity values at Boulléré – these centred on the area becoming a formal set-aside within the concession.

The Boulléré KBA has been long identified as an area of ecological importance (although some anthropogenic modification has apparently occurred). The set-aside of Boulléré KBA is not in place, plus the conservation aims and management of the area are not yet being enhanced. The IESC recommend discussions to formalise this set-aside commence as soon as is practicable, considering and the pressures on Natural Habitat from expanding cultivation, the reported harvesting of timber, and the extent of land use change observed since Due Diligence.

*Management of Ecosystem Services / Community-based Natural Resource Management (CBNRM):*

GAC has not yet developed a Community Based Natural Resource Management (CBNRM) Strategy that was reported previously. Earlier in 2021, in order to have a more strategic approach to managing natural resources and ecosystem services, GAC agreed to contract an external expert to help develop a program for (a) conducting a landscape assessment identifying and mapping biodiversity priority areas /objectives and community land use/livelihoods/ecosystem needs (b) build CBNRM-related community capacity, and (c) improve effective communication with communities tying in post-mining rehabilitation/restoration of land (i.e. the value of retaining ecological value, not just resorting to widespread cashew nut plantations). The ToR for the work has been out to tender, but there has been little interest out in the market. As there had been only one proposal, GAC's Commercial Director had suggested this may need to go out to tender again.

GAC is undertaking a set-aside pilot at Thiouladjwol, near the reservoir and the resettled community. The intention is that the pilot set-aside will form part of GAC's new CBNRM program and create a *mis en defens* (akin to a protected area) at the dam. The IESC previously recommended that GAC seek an experienced external specialist to help guide the development of their onsite set-aside strategy, so that a scientifically robust, conservation-based set-aside program can be developed. A contractor has been appointed to identify, establish and manage this set-aside pilot along the lines of a community-based natural resource management (CBNRM) program. An implementation program has been developed and is supported by ExCo. Although development of pilot programs have benefits, there is also the risk that a pilot set-aside at Thiouladjwol might delay the targeted onsite protection of Boulléré and the NNL/NG of some restricted range species, especially with the rate of in-migration and habitat degradation currently being observed.

### Labour Management

In December 2021 the project had 3,000 workers including contracted workforce, 349 more than in May 2021. The number of GAC direct employees increased to 434 from 420 over the last six months with the number of expatriates going from 74 to 73. The total number of female direct employees was 36 (11 in managerial positions), and there were 148 women working for the project through contractors, representing 8% and 6% respectively. Although GAC has a gender strategy that includes provisions to increase the number of women in the organisation, female participation has been steadily declining over the last 2 years both in the direct and contracted workforce.

A new Union executive committee was elected in September 2021. The new committee is being trained by GAC on labour regulations, duties and rights of the committee. The first quarterly meeting between GAC and the new executive committee took place in December 2021. Main discussions centred in the improvement of health insurance for workers and a production bonus comparable to those provided by other companies of the sector in the region.

In 2021 GAC received 22 grievances from direct and contractors' workers. Grievances were received through the HC grievance mechanism and through compliance and all labour related grievances were consolidated in one database showing that the issues of lack of integration identified in the previous virtual supervision has been resolved to allow for analysis, early detection of potential conflicts and correction of possible causes. During the period there were four worker-led stoppages, three of which lasted less than one hour and one lasted 4 days. All four events and an additional one earlier in the year were related to labour conflicts between local workers and DTP. The HC and Community Relations teams need to identify the root causes of these conflicts and together with DTP management implement correction measures to reduce the risk of these and other potentially more serious issues arising.

## Social Management

The SMS has been approved and a SHEC Integration Committee has been formed to oversee the roll out of the system. Four procedures have been fully implemented by the Community Relations and eight are in the process of implementation (social risk assessment, social responsibility legal requirements, evaluation of compliance, corrective actions, social roles and responsibilities, training and awareness, communication and consultation and social management review) in coordination with other departments. Full implementation of all procedures is expected to be completed by June 2022.

### *Stakeholder Engagement and Community Relations:*

GAC had previously reported that as operations stabilize after the construction phase, required efforts for engagement with local communities had decreased. As a result, the personnel in the Stakeholder Engagement Department also were significantly and steadily reduced. All 13 positions of Community Relays were eliminated in Q2 2021. GAC assessed resources assigned to the Stakeholder Engagement Department, in relation to the requirements of approved social plans and programs. GAC has taken appropriate actions to streamline processes and reallocating responsibilities within the existing team. However, some of the social management plans and procedures still refer to and rely on Community Relays for their implementation. GAC needs to reinstate community relays or update all relevant plans and procedures and include tools and mechanism to ensure adequate implementation.

The monthly average number of interactions with stakeholders during the second half of the year remained decreasing to approximately 70 from 87 the previous semi-annual period and 173 from May to October 2020. Relative number of land access communications increased significantly in importance compared to the previous period, due to the upcoming development of Plateau 31.

### *Grievances and Conflict Management:*

In the second half of 2021, GAC received 20, the highest number of since the second half of 2019. All grievances except for one related to land access have been resolved within the objective of a maximum of 30 days. Three grievances related to compensation remained open at the time of the virtual visit. After a steady decrease on community blockages over the last two years, there were 12 blockages from June to December 2021, the largest number in two years. All blockages were resolved by the Community Relations team in less than 1 hour except for a labour disrupt that disrupted GAC operations for 4 days. The department of Community Relations, in coordination with Human Capital, should identify the root causes of conflicts between DTP and its local workers and implement actions to address the identified issues. The increase of grievances and blockages since the reduction of personnel in the Stakeholder Engagement department is concerning.

### *Gender Considerations:*

Although approximately 70% of the beneficiaries of GAC social investment project and over half of the beneficiaries of livelihood restoration projects are women, women continue to be underrepresented in many engagement activities. EGA, GAC's parent company, is updating its Gender Policy and as a result GAC's Gender Strategy is being revised. GAC has been reporting for more than a year that an update of the Gender Strategy is being done with the support of the IFC Advisory Services, but this continues to be delayed.

### *Social Investment:*

GAC has made the two contributions to FODEL since the start of operations with a third one scheduled for April 2022; however, no funds have been used as the mechanisms to select and control projects are still not fully defined. Community FODEL bank accounts have been frozen by the government in power since September 2021. GAC continues to work with other mining companies with the support of IFC Sustainable Infrastructure Advisory to establish a framework for accountability in the fund management. Through other Community Investment Funds, in 2021 GAC created 84 direct local jobs, directly benefiting 592 local community members in 20 locations of their area of influence. In addition, GAC donated 1500 packages of school supplies, 1,000 30ml containers of sanitizers, 1,000 masks for prevention of Covid-19 transmission and 500 Personal Flotation Devices to fishers in the Kamar area.

### *Community Health and Safety:*

In Q4 2021 GAC developed a Strategy of Safe Transpiration based a detailed assessment of the community access routes, in consultation with local stakeholders. The strategy includes the construction of safety infrastructure in roads at plateaus 20 and 26.

GAC has developed a blasting management strategy with the aim of reducing the risk to neighbouring communities. The fact that the strategy indicates that information on place, date, time and safety buffer area is provided by

Community Relays is problematic as those positions have been eliminated. In Q4 2021 the issue of blasting was raised through the grievance mechanism. Impacts of run-off water and red mud from operation areas has also been raised through the grievance mechanism. Although GAC requires its contractors to develop and implement rainy-season readiness plans to avoid these type of impacts, implementation of the plans has been delayed.

GAC developed the terms of reference for the development of a community based natural resource management programme and is currently negotiating the contract with a service provider. Awareness efforts to promote community reforestation with native species rather than cashew trees are being made.

#### *Influx Management:*

From January to October 2021, 282 new arrivals were registered for in 10 priority villages in the concession area. Terms of reference were developed for conducting a demographic survey for the newly identified communities and the recruitment of a service provider was being finalised to complete surveys of a total of 60 communities in the concession area. Terms of reference for monitoring demographic, education, health and social services indicators for 10 priority villages were also developed and the selection of the service provider is underway. In addition, in coordination with the Sangaredi Communal Committee for Management of Migration Flows, GAC is developing and supporting the implementation of micro-projects to mitigate the impacts of in-migration in 12 communities.

There have been reports of clandestine and opportunistic settlement of immigrants in the flood zone of Sinthourou Thiouladji. GAC needs to take actions to create awareness and support the community to monitor and discourage settling in the zone as part of the influx management programme.

#### *Security:*

There were no impacts on the security of GACs operations during transfer of power to a new government formed by the arm forces in September. Due to a national strike by the private security contractor Laguires in January 2022, GAC requested reinforcement of public security forces. After 10 days of strike, security guards returned to their posts. No security incidents were reported during the strike. GAC reinstated the 500 unarmed Laguires guards.

It was expected that in 2021 the electric system was expanded and strengthen in Boké, with the doubling of the hydroelectric production in Guinea from the start of operations of the Souapiti hydroelectric power project. There have been project delays and it is now expected to start operations in March 2022. The more reliable supply of energy will likely reduce protests and blockages in the region.

#### *Land Acquisition, Compensation and Resettlement:*

Although the work related to resettlement is decreasing as the 3 major resettlement projects that involved physical displacement are being finalised, the IESC is concerned that the rapid reduction of personnel assigned to these functions may difficult maintaining adequate oversight of land acquisition.

Currently GAC is developing the RAP for Plateau 31, where 415 hectares of land of 10 villages and an additional 86 hectares of land used by individual households will be affected by mining activities. The RAP for Plateau 31 provided by GAC is not aligned with the approved LACRF or lenders requirements as it proposes to initiate activities prior to providing compensation to affected people. GAC informed that this will be corrected, and no impact or land take will be materialised before compensation is provided.

In the last six months of 2021 GAC finalised the drainage system and a football field in Béli Kindy, and the community mosque and the 9 remaining housing units in Sinthourou Thiouladji. The construction of the school, a multipurpose community centre and the water system in the latter community are under construction. Alternatives to improve access to Sinthourou Thiouladji are still being evaluated. GAC has engaged 3 notaries to support the land titling of 392 new houses in Béli Kindy, Filima and Sinthourou Thiouladji. The process is expected to be completed in June 2022.

After significant delays, GAC has yet to finalise the tendering process for the selection of the contractors to repair construction defects in the replacement housing and the water system in Béli Kindy and Filima. Now GAC expects all repairs to be completed by June 2022. Also, the re-establishment of Dapress artisans continue to suffer significant delays. GAC informed that the construction of the artisanal centre in Filima is now expected to be finalised in June 2022; however, the agreement with the contractor is yet to be signed.

Finding replacement land is increasingly difficult due to cumulative impacts caused by GAC expansion, other mining companies and communities and some PAPs have been impacted up to 4 times. GAC needs to develop a strategy to minimize the need to displace people multiple times, that should include a landscape approach to set aside areas for production and conservation and providing broader long-term support for viable livelihood restoration options.

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GAC expects to conduct the completion audit for the resettlement for the dam and pipeline in July 2022 and for Filima, Béli Kindy towards the end of 2022.

GAC is required by the GoG to compensate for loss of assets and agricultural products at government approved rates (issued in 2017). GAC completed an assessment comparing compensation paid using the government approved and the actual replacement cost for the last 5 years. The study concluded that in general, GAC has provided compensation above the replacement cost. Through the closing audits, GAC will determine all specific cases where compensation was not paid at replacement cost and will supplement the compensation for all affected PAPs accordingly.

*Cultural Heritage:*

During the delimitation of plateau 31 in 2021, 4 cultural sites were identified with the support of community guides. The community relations team continues to engage with communities to determine the management protocol for these recently identified sites and training is being provided to DTP and GPC personnel in accordance with approved procedures.



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