

Aluminium Stewardship Initiative

19 APRIL 2023

Dear Fiona,

We thank your team for the meeting on 28 March, and for the further exchanges on how to manage the timeline for the audit and our own visit to Guinea.

We are writing now to follow on some of the points that we discussed during our meeting, as well as to ask a few additional questions about the audit process.

We were encouraged to hear that ASI shared the community letter with the audit team and that additional resources are being devoted to this audit, such as the presence of on-site observers from the ASI Secretariat. We remain concerned, however, by several aspects of the audit process and wanted to flag those concerns now to see if there is a way to address them prior to and during the audit process.

Community Preparation and Engagement

As you heard from community representatives on our call, communities are keen to participate in the audit, to have their views heard, and to ensure that the audit report and outcome reflects their perspectives.

We understand that while the on-site audit is less than a month away, neither ASI nor its auditors have so far conducted any substantial outreach to affected communities on the upcoming CBG audit.

In our understanding, limited engagement that ASI has so far had with some affected community members were through Indigenous Peoples' Advisory Forum (IPAF), whose activities, as we understand, are not sufficient to inform and prepare communities ahead of the audit.

As ASI described in our call, IPAF is not intended as a mechanism for informing and preparing communities ahead of an audit. The IPAF, as a global body covering multiple countries and multiple regions of Guinea, lacks adequate representation from communities impacted by CBG to be an appropriate mechanism for managing preparations for the CBG audit. While we understood from our call that the IPAF has informed its members that audits in Guinea will take place, ASI has not taken additional steps to meet with CBG affected communities, explain the purpose of the audit, and assist communities to prepare to participate, including by explaining ASI's standards and the assurance process.

We understand that ASI intends to inform the affected communities once the audit plan is finalized by the auditors, who will be visiting a number of selected villages during the on-site audit. In our experience, effective community participation goes beyond organizing villages visits and notifying communities of the

visits. It requires ensuring communities understand the purpose of the audit and its scope and have the time and resources necessary to prepare for the engagement with the auditor. This means providing adequate notice to communities that the audit will occur; validating the audit schedule with the stakeholders including the affected communities; putting in place the necessary structures to disseminate the information across the community; providing training and support about ASI, its standards and how to participate; and if necessary, facilitating independent advice to help them prepare.

We believe there are additional steps that ASI and the auditors can take to better prepare communities to participate in the audit. ASI or the auditors could, for example, convene additional in-person meetings with affected communities to discuss the upcoming audit, explain ASI's role and standards and what the auditors will be looking at on the ground, discuss ways communities can participate, and answer any questions.

ASI should also share a draft of the audit plan with impacted communities, ideally with a representative group of community members or a local committee selected by the affected villages, and seek their feedback, including on the communities to be consulted and the sampling methodology, and the mechanisms for soliciting and incorporating feedback from communities. We believe this type of engagement with communities is essential to the credibility and effectiveness of the audit, especially in the eyes of impacted communities. We are concerned, for example, about how the choice of communities to be visited by the auditors, as well as other key local stakeholders to be interviewed during the audit, is being made and who is involved in those decisions. We believe that more meaningfully integrating communities into that discussion, including but not only communities participating in the mediation, would both lead to a better selection of stakeholders to be interviewed and a more credible audit process.

We also urge ASI to take all the necessary steps to ensure that the final audit schedule includes a sufficient number of affected villages, representative of various impacts that the communities have been experiencing, including those that are part of the mediation process, and that the auditors reserve sufficient time to listen to various communities' concerns and to get a full understanding of the social impacts of the CBG operations. In addition to village visits, we highly encourage the auditor team to hold a meeting with the representatives of the 13 villages engaging in the mediation process not only because they have an in-depth understanding of community concerns but also can speak to the mediation process itself and its effectiveness at addressing harms, which is relevant to the ASI's standards.

Auditors' background on human rights issues

Based on our exchanges, we understand that the audit team is comprised of a lead auditor, two local specialists as well as a biodiversity expert. While we don't have detailed information on the areas of expertise of the lead auditor and the two specialists, we emphasize the importance of having team members with significant experience in human rights and social issues, including but not limited to

resettlement and economic displacement. This is crucial for the audit team to adequately assess the most significant impacts that the communities have been suffering.

Audit Report Transparency

We believe that audit and certification schemes should publish full audit reports, with as little information redacted as possible, and should feedback the results to community members, in a language and medium accessible and clear to them. Transparency over audit results increases the credibility of findings and enables all stakeholders to move towards and push for corrective action.

We also hope that, in addition to more detailed summaries of audit reports, ASI will fulfill communities' requests, expressed in their February 2023 letter, to see the full audit report and that communities have the opportunity to review the contents of the detailed audit report prior to it being published.

Legacy Impacts

In our conversations ahead of the audit, ASI has stated that ASI's audits focus on an entity's current social and environmental performance, with some consideration of its legacy impacts. We note that Performance Standard 9.1 requires entities to develop 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, including any Material Legacy Impacts (...)*." We are concerned about the way this criterion could be interpreted by the auditor, and in particular that they may deem CBG in conformance if it can present a process or plan on paper, even though communities continue to suffer devastating harm as a result of these violations, and with no guarantee that they will be remediated.

In CBG's case, the most serious human rights violations linked to CBG's mining operations are of ongoing nature, in particular its impacts on land, livelihoods and communities' natural water sources. CBG has for many years failed to adequately compensate communities for the land it has taken away from them (neither in the form of monetary compensation or equal replacement land). As a result, affected communities have been suffering loss of livelihoods and scarcity of land for their traditional economic activities, including agriculture and grazing. Similarly, CBG's activities have destroyed and/or polluted rivers, streams, and springs that the communities depended on to find potable water as well as water for household use and their economic activities. Communities, to date, continue experiencing hardship accessing clean water due to harms arising from past and current activities of CBG. As a result affected communities continue to suffer serious violations of article 11 of the International Covenant on Economic, Social and Cultural Rights, among others.

These violations continue to have serious impacts on communities' lives and livelihoods every day. It has affected their incomes, their access to food, and at some times of the year they struggle to find sufficient water for daily household needs. The upcoming CBG audit should account for these ongoing impacts and

the failure of CBG to provide remedy for them —not just whether there is a plan to address them. History shows that the production of plans and processes, whilst an important step in mitigation and remediation of impacts, provides little assurance of full and effective remedy in practice.

Non-Conformances and Certification

We are grateful for the explanation from ASI as to the relationship between minor and major nonconformances and critical breaches.

We remain concerned, however, that awarding a company provisional certification in cases of major non-conformance means that a mining operation can still achieve certification, albeit provisional, where it is significantly in breach of ASI's standards and causing ongoing harm to communities. Provided the harm communities are suffering does not, in the judgement of an auditor, rise to the level of a "critical breach," – which, according to ASI's Assurance Manuel, includes serious human rights violations – companies implicated in ongoing human rights abuses still receive certification.

We believe this is a flawed approach. ASI already requires companies to develop a corrective action plan to address non-conformances and requires that major non-conformances be reviewed by a surveillance audit within six months of the initial audit. Instead of awarding provisional certifications, ASI should withhold any certification, even provisional, until the mining company has implemented its corrective plan, addressed the major non-conformance, and demonstrated that it can and will provide effective remedies to affected communities.

In addition, it remains unclear to us what role community perspectives and interviews play in determining non-conformance with the standards –and whether they rise to the level of minor, major or critical-- and thus, the outcome of the audit.

In the GAC audit findings on resettlement, for example, the summary report states that the company has "developed and implemented a comprehensive resettlement process" but also states that, in communities' opinion, "GAC has not achieved the required expectations, as prescribed in the IFC Performance Standard 5," and "there has been no improvement or restoration of livelihoods and standard of living for persons displaced." Although we have not worked in and around GAC communities, communities are alleging a significant breach of the IFC's standards, and one that would have potentially devastating impacts on the communities' access to land, food and their standard of living, amounting to a serious violation of article 11 of the International Covenant on Economic, Social and Cultural Rights. Economic displacement is one of the most significant impacts of bauxite mining on affected communities and their perspectives should be in the center of any assessment of a mine's social and environmental performance. The GAC summary audit report, however, only find a minor non-conformance with this criterion in the Performance Standard, without further explication as to why this was a minor and not a major non-conformance, or indeed, a critical breach. We urge ASI's auditors to make community perspectives a central part of the CBG audit and to

ensure that findings of non-conformance and breach of the standards are fully justified and explained in detail in audit summary reports. Serious human rights violations experienced by communities, including with respect to economic displacement and access to water, should be recorded as critical breaches in line with ASI's Assurance Manual.

Yours sincerely,



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