

BANKTRACK

TO:

MASAHIRO KIHARA, CHIEF EXECUTIVE OFFICER

1-5-5, OTEMACHI, CHIYODA-KY

100-8176

TOKYO

JAPAN

SUBJECT:

COMMUNITY CONCERNS RE: MIZUHO'S FINANCIAL TIES TO NORDGOLD'S LEFA GOLD MINE
IN GUINEA

4 MAY 2023

Dear Mr. Masahiro Kihara,

We are writing to express our concerns regarding your bank's financial ties to mining company Nordgold. Nordgold holds an 85% majority stake in Société Minière de Dinguiraye (SMD), which operates the Lefa gold mine in Guinea. The local communities affected by the mine urgently wish to be relocated for their safety and wellbeing, but cannot reach agreeable terms with the company, which has failed to meaningfully consult with them. Through its loans to Nordgold, Mizuho may be in breach of its responsibilities as outlined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Since commercial production began at the mine site in 2008, the operations of the Lefa mine have had serious impacts on the nearby community of Carrefour village, located a mere few hundred metres from the mine's tailings where waste is discharged. In 2015, cyanide spilled and contaminated the community's water supply.¹ Since then, reports state that the mine has contributed to air pollution and affected the community's livelihood by contaminating surrounding farmland and contributing to the extinction of local plants and animals.² In addition, the use of heavy machines and rock blasts have caused damage to homes and other physical structures.³ As a result, the Carrefour community has for years been asking to be relocated to a different area, but the company has been slow in its response. The residents of Carrefour continue to be exposed to the dangers linked to the mine's operations. They demand to be urgently relocated, according to their needs and following adequate consultation. However, attempts on the part of the community to negotiate the terms of the relocation with the SMD have repeatedly failed.

On 18 October 2021, Nordgold announced it had entered a three-year US\$ 100 million ESG-linked revolving credit facility with a group of international banks, including Mizuho. This loan is due on October 17, 2024.⁴ Considering the continued friction between the company and the community of Carrefour, and the company's own due diligence shortcomings, including failure to meaningfully engage with affected rights-holders, it is evident that regardless of the ESG targets stipulated in the loan, this finance links the bank to a range of adverse impacts on local communities and the environment. Mizuho has clear responsibilities under the OECD Guidelines for Multinational Enterprises (the Guidelines) and the UN Guiding Principles on Business and Human

¹ EJAtlas, "Cyanide lakes poisoning villagers' water and animals, by Nordgold, Guinea". <https://ejatlas.org/print/lefa-gold-mine>

² Scientific Research Publishing, "Environmental Impact of Lefa Gold Mining on its Local Population, Republic of Guinea," August 22, 2019. https://www.scirp.org/html/2-2000894_94507.htm

³ Kolie, B., Jun, Y., Sunahara, G. et al, "Characterization of the rock blasting process impacts in Lefa gold mine, Republic of Guinea", 23 February 2021. <https://link.springer.com/article/10.1007/s12665-021-09477-x>

⁴ Nordgold, "Nordgold Secures Second ESG-linked Revolving Credit Facility," October 18, 2021. <https://nordgold.com/media/news/nordgold-secures-second-esg-linked-revolving-credit-facility/>

Rights (UNGPs), which include, among others, carrying out ongoing human rights due diligence in its lending activities, and supporting with remedy for harms associated to its client.

We are writing to bring these issues, and the affected community's perspective, to Mizuho's attention and call on the bank to take all appropriate measures as outlined in the Guidelines and UNGPs. We would like to request details from the bank regarding its response to the human rights impacts identified, and its approach to meeting its responsibility to prevent, mitigate or otherwise address them.

We also ask the bank to urgently engage with its client on this issue, if it has not done so already, and use its leverage to bring about remediation so that the Carrefour community's asks are heard, and their relocation is successful. Further finance to Nordgold should be suspended while this issue remains unresolved.

Given this issue is time-sensitive, we would be grateful to receive a written response from you by May 12, 2023. In the meanwhile, we remain at your disposal should you have any questions or want to discuss these matters further.

Sincerely,

Ryan Brightwell
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