

## ESIA Comments and DFC Responses

Comment #1: The Balama graphite mining project affects a total of five communities: Mualia, Pirira, Ntete, Ncuide, and Balama Sede. Information gathered during seven days working with the project impacted communities revealed how these communities have complained of a lack of employability. The reason for these complaints is that TWIGG has released almost all local workers and no longer hires local labor. Therefore, none of the impacted communities are receiving any employment benefits from the project.

*DFC Response #1: According to the company, currently almost 40% of the total project workforce come from the province or district and about 97% of the workforce is Mozambican. The company tracks direct and indirect (contracted) employment that is sourced from local, host communities. This is also captured in the company's public quarterly sustainability report on its website.*

Comment #2: In addition, according to a survey carried out during a visit, the project covered a universe of 697 families who should be indemnified and compensated. Unfortunately, a total of 175 families have not yet been compensated because their restitution lands have not been handed over, which should occupy an area of 255 hectares (ha).

*DFC Response #2: According to the company, all households affected by economic displacement have received the requisite monetary compensation. This is formalized and documented via signed compensation contracts.*

*The original 2014 Resettlement Plan reflects the process for provision of replacement or restitution land as being identified and provided by the government, as per local requirements. During implementation of the Plan, the government reached a point in which it was no longer able to identify additional, suitable replacement land. At this point, a modified approach was agreed with the government for the company to provide additional compensation and support measures to affected parties to enable access and utilization of alternative lands, to be identified by affected parties themselves. The company reports this new approach for the provision of replacement land is currently being implemented. The company has been and continues to provide livelihood restoration support measures to all affected farmers. DFC will require, in accordance with PS 5, satisfactory results in a completion audit of the livelihood restoration program.*

Comment #3: Finally, impacted communities are not being made aware of their full rights with regards to labor and compensation. Workers are not aware of the existence of a union that can defend them in case of having a labor dispute. In addition, in this district there are not any civil society organizations (CSOs) that are advising families to demand their rights even though there are many young people and unemployed women who see their resources being exploited but who do not benefit from them.

*DFC Response #3: The company and its contractors provide induction training and written contracts to all employees informing them of their workplace obligations and rights. About 80% of the project workforce is covered by the collective bargaining agreement. The local union is recognized and affiliated with the provincial and national union. After the recent renegotiation of*

*the collective bargaining agreement in 2022, the company undertook, with support from the local union representative, several awareness-raising sessions with the workforce to socialize the updates.*

Comment #4: The undersigned groups and other CSOs in Mozambique are working to schedule a trip and meetings with impacted community members to clarify these concerns. We hope to provide additional information as colleagues travel to the site and get updated information.

*DFC Response #4: Noted, thank you.*