TÜVNORD

DESCRIPTION OF THE PROCEDURE
IRMA – Standard for Responsible Mining 1.0

CONTENT

If you should require any further information then please do not hesitate to contact us. We will be please to help you.

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The Initiative for Responsible Mining Assurance (IRMA) is an independent non-profit organization founded in 2006 by a diverse coalition, including non-governmental organizations, businesses purchasing minerals and metals, affected communities, mining companies, and labor unions. IRMA's mission is to improve the environmental and social performance of mining operations by developing best practice standards and implementing a system for independent verification.

IRMA's standards apply to large-scale industrial mines worldwide, including those extracting lithium, nickel, gold, copper, iron ore, and platinum, with exceptions for thermal coal, oil and gas, uranium, and deep-sea mining. Assessments are conducted at the mine-site level, with individual mines audited and scored.

There are four achievement levels in the IRMA system. The first level, called IRMA Transparency, requires only that mines be audited by an IRMA- approved audit firm and release their results publicly.

The IRMA 50, IRMA 75 and IRMA 100 levels reflect increasingly higher levels of performance across the four sections of the IRMA Standard (Business Integrity, Planning for Positive Legacies, Social Responsibility and Environmental Responsibility).
At the 50, 75, and 100 levels of achievement, mines must meet a set of critical requirements. However, at IRMA 50 and IRMA 75, some minor non-conformity is allowed as long as there is a corrective action plan to fully meet these requirements by the next 3-year cycle full verification audit.To reach IRMA 100, all of the critical requirements must be fully met.

1. CERTIFICATION PROCEDURE

1.1. Preparing and Applying for IRMA

This guide outlines the essential steps for mining sites seeking IRMA certification, emphasizing transparency and stakeholder engagement. The process begins with a self-assessment using the Mine Measure tool, which helps mines evaluate their practices against the Standard for Responsible Mining and Mineral Processing. This self-assessment identifies gaps in environmental and social performance, reassures buyers and clients, and improves community engagement, while also preparing the site for the independent audit.
Simultaneously, mines can apply for IRMA certification, signaling their interest in an independent, third party assessment. The application requires detailed information about the mine site and operations, which helps estimate the audit duration and scope. Following the application, mines must pay a certification fee to IRMA, which varies based on annual revenue and supports the system's operations.
Next, mines contract directly with a certification body (CB) to conduct the independent assessments. This involves negotiating payment terms and other contractual details. Audit planning is a collaborative effort between the CB's audit team and the mine, covering the assessment process, scope, access to information, and confidentiality issues. The process culminates in a signed contract for assessment services.
Finally, IRMA publicly announces the commencement of the assessment, ensuring stakeholders are informed and can participate in the process. This transparency fosters trust and engagement, reinforcing the mine's commitment to responsible practices.

1.2. Audit Stage 1 (desk review)

Stage 1 of the audit is conducted remotely, starting with an opening meeting to discuss IRMA requirements, audit scope, and confidentiality. The mine provides documentary evidence of conformance through the IRMA Mine Measure self-assessment tool. Auditors review this self-assessment, document initial performance ratings, and contact mine staff for clarification. The process concludes with a closing meeting to review findings, highlight areas for improvement before Stage 2, and discuss the Stage 2 audit plan.

1.3. Stakeholder outreach by CB

IRMA announces the start of each third-party assessment and the dates for on-site audits to invite stakeholder participation. Audit teams reach out to stakeholders to gather input on the mine's environmental and social performance according to IRMA standards. Input can be provided in writing, electronically, or via phone interviews, with confidentiality maintained. On-site audits include interviews with mine workers, contractors, and various stakeholders such as rights holders, community leaders, civil society organizations, and regulatory personnel. The mine may provide a list of stakeholders, and audit teams conduct additional research to identify others for consultation.

Other stakeholder groups that should be consulted during audits include:

- rights holders such as indigenous peoples, property owners and water rights holders
- leaders and affected community members, including, artisanal and small-scale miners
- local, regional, and national civil society organizations that have an interest in environmental, social, economic, revenue transparency, community development, health and other issues that may intersect with the mining operation
- local, state, and federal regulatory agency personnel
- other relevant groups identified by the CB

1.4. Audit Stage 2 (on-site visit)

The audit process includes an opening meeting to review the audit scope, updates from the mine, conformance evaluation methods and emergency procedures. Auditors tour the mine site and relevant locations for observational evidence. Interviews are conducted with mine management, workers, and stakeholders (on site or off site), ensuring confidentiality and a safe environment. Auditors review additional documents not provided in Stage 1. The closing meeting discusses preliminary findings and next steps.

➔ Important timelines: Stage 2 must take place within 12 months of the Stage 1 closing meeting. Time spent on-site will be determined through discussions between the mine and audit team.

1.5. Review audit results and develop corrective actions

Within 30 days of the Stage 2 closing meeting, a draft audit report is prepared and reviewed by the CB before being sent to the operating company. The draft includes mine information, interview lists, requirement ratings, auditor narratives, chapter scores, and proposed achievement levels (IRMA 100, 75, 50, or Transparency). The mine has 30 days to correct factual errors.

- Mines seeking IRMA 100 must draft a corrective action plan for minor nonconformities;

- those seeking IRMA 50 or 75 must address unmet critical requirements.

- No corrective action plan is needed for IRMA Transparency.

Mines can opt to take up to 12 months for corrective actions before certification and public release, which is beneficial for those close to achieving higher IRMA levels.

If a mine decides to use the corrective action period – go to Step 1.6.
If a mine decides not to use the corrective action period – then upon receipt of the mine's comments the CB has 15 days to make revisions to the draft audit, finalize scores and make a decision on the appropriate achievement level.

The revised draft report is then sent to the IRMA Director of Standards and Assurance for a 15-day review. This review is conducted to ensure the audit report is complete prior to public release, and it is also part of IRMA's oversight of its CBs. The report is returned to the CB, which then has 7 days to finalize the report.

➔ Important timelines: The audit team/CB has 30 days from closing meeting to prepare, review and send draft audit report to the mine. The mine then has 30 days to review report and suggest corrective actions. Extensions may be requested— contact the IRMA Secretariat. The CB then has 15 days to make revisions. IRMA's Director of Standards and Assurance then has 15 days to review. Report is finalized by CB within 7 days of receipt of feedback from IRMA's Director of Standards and Assurance

1.6.   (Optional) Early corrective action period

A mine can postpone the release of its initial audit results for up to 12 months to implement corrective actions, particularly if it has major nonconformities with critical requirements but otherwise scores well enough to meet IRMA 50 or higher. During this period, mines can improve ratings on critical requirements to achieve a higher IRMA level. Improvements must be verified by auditors within the 12-month period, and depending on the nonconformity, site visits may be necessary.

- If changes are not verified within 12 months, the original audit report becomes final and is reviewed by the IRMA Director of Standards and Assurance before public release.

- If changes are verified, auditors revise the report, and the mine has up to 30 days to review changes, followed by CB revisions and IRMA's review before public release.

Important timeline: Corrective actions must be verified within 12 months of the CB receiving the mine's comments on the draft audit report.

1.7. Public disclosure of audit summary

A summary of the mine's final audit report will be made public on the IRMA website. If a mine has a profile on the IRMA Engagement Map it will be posted there as well. Public summaries will include information such as scores on a principle and chapter basis, and a section on Areas for Improvement that includes requirements that received "substantially meets," "partially meets" and "does not meet" ratings.

A mine will be provided an opportunity to include information on planned corrective actions, as well as comments in its public summaries.
Following the decision on whether certification or a verified level of achievement will be awarded, the mine will receive a copy of the public summary audit report.
A mine has the option to:

■ Request that confidential information be redacted prior to the summary report's public release.

■ Publish its full audit report (e.g., include all auditor comments and information on corrective actions) or distribute the full report to any of its stakeholders if it so wishes.

Any communications made in relation to the public audit report and mine site achievement level must comply with IRMA's Communications and Claims Policy.

1.8. Implement corrective actions

As outlined in Step 1.6, some mines will have been required to develop a corrective action plan.

■ IRMA 100 level, corrective action plans are required to address all minor nonconformities with non-critical requirements (mines cannot achieve IRMA 100 with major nonconformities).

■ IRMA 50 or IRMA 75 level corrective action plans must be developed for critical requirements with minor nonconformities (mines cannot achieve IRMA 50 or 75 if critical requirements have major nonconformities). Implementation of corrective actions for major or minor nonconformities with non-critical requirements is option.

■ IRMA Transparency level, no corrective action plan is required.

To maintain an achievement level, implementation of corrective actions must occur within the timeframes indicated in Important Timelines below. If corrective actions are not successfully verified, the achievement level may be suspended (as explained in Step 1.14) Important timelines: To maintain IRMA 100, minor nonconformities with non-critical requirements must be closed at the surveillance audit. To maintain IRMA 50 or IRMA 75, minor nonconformities with critical requirements must be closed at the surveillance audit.

1.9. Surveillance audit

Surveillance audits are not full audits; they focus on management systems, compliance with laws, changes in regulations, IRMA critical requirements, status of progress in closing nonconformities and high-risk issues. Material changes to the mining operation or new stakeholder complaints must be disclosed to the CB before the surveillance audit, as they may require review during the audit. Mines

must undergo one surveillance audit per certification cycle, occurring 12 to 18 months after the initial or recertification audit. Material changes or new stakeholder complaints must be disclosed before the audit. Corrective action plans are required for new nonconformities found during these audits.

➔ Important timelines: **Surveillance audits occur 12 to 18 months after finalization of the initial or each subsequent recertification audit report.**. Nonconformities or issues identified in the surveillance audit must be resolved within three months of the draft report's issuance to prevent suspension of certification or achievement level

2. RECERTIFICATION AUDIT

Certificates and verified statements of achievement are valid for three years (i.e. the certification cycle). Within **36 months**, a recertification audit must be completed and a new audit report published to maintain or upgrade the certificate/achievement level. Recertification audits occur every three years thereafter. During audit planning, the scope and extent of the desktop review are determined, including any changes or updates to policies, assessments, management plans, mitigation plans, monitoring results, and documentation related to changes in legal compliance, stakeholder engagement, and complaints.

3. EXTENSION OF SCOPE AUDIT

The audit scope can be expanded in consultation with the certification body, in compliance with standards. As with the initial assessment, the previous conditions must be suitable and requirements must be met. The process is coordinated directly with the certification body, and if necessary, an additional on-site audit will take place.Short Notice Audits

4. CERTIFICATION OF COMPANIES WITH MULTIPLE LOCATIONS (MULTI-SITE)

An assessment of multiple sites is generally possible; all company locations are visited and evaluated. Finally, all findings are summarized in a report.

5. MANAGEMENT OF NON-CONFORMITIES = IRMA RATING SYSTEM

All requirements under assessment will be rated on their level of conformity. The NC report is sent to the clients after the audit, and they have time to address the NCs. Depending on the performance, IRMA 50, IRMA 75, or IRMA 100 is achieved. However, the critical requirements (set by IRMA) must be met at every level.

The following rating system will be used, and the general criteria for differentiating between ratings are as follows:

Fully meets:

- Procedures, methodologies, and training programs meet the requirement as written or fully meet its intent.

- Stated performance for all elements or sub-requirements is evident with extremely rare exceptions (and exceptions do not affect consistency with the objective(s) of the chapter).

Substantially meets:

- Procedures, methodologies, and training programs have sufficient detail or require only minor augmentation. For example:

  - Many, but perhaps not all relevant personnel are informed of policies and procedures. Work plans are developed, and implementation is under way.

  - Training programs are being implemented, though perhaps not fully or to maximum efficacy.

- Where requirements are performance-based, mine has implemented appropriate actions to meet the performance measure but is not fully meeting it. Some augmentation or modification required.

- Where sub-requirements exist, the majority of the sub-requirements are being met, but one or a few factors need clarification, augmentation or complete implementation.

Partially meets:

- Procedures, methodologies, and training programs are either under development, lack sufficient detail, or are inconsistently applied.

- Where requirements are performance-based, mine has taken some actions to meet the performance measure, but there is considerable additional work necessary.

Where sub-requirements exist, the majority or all of the sub-requirements need clarification, augmentation or implementation.

Does not meet:

- Relevant policies, procedures not developed, actions have not been taken to meet

- performance measures, or requirements are not being met despite efforts being made

- by the company.

Not relevant:

- Requirements are not applicable at the mine site. Mines will be expected to provide rationale for why requirements are not relevant.

Not assessed:

- Mines choose to exclude certain requirements from the assessment.