



Barro Alto & Minas-Rio Audits

Release webinar

8 February 2024

Speakers and Agenda



Speakers:

- IRMA Executive Director, Aimee Boulanger
- IRMA Americas Region Lead, Adan Olivares Castro
- IRMA Assurance Director, Michelle Smith
- Director of Corporate Affairs and Sustainability – Brazil, Ivan Simões

Agenda:

- IRMA what it is and why it's needed
- How an IRMA audit works
- The Barro Alto and Minas-Rio audits
- How stakeholders can use the audits
- Perspectives from Anglo American
- Q&A

1

Why is a system like IRMA
needed?

Opportunity

And conflict

With raw materials at the top of supply chains

1

Demand for lithium, nickel, cobalt, copper, iron ore and others

Materials for solar, wind, batteries, electric vehicles

2

Indigenous and other communities under stress

Drought, floods, risks to drinking water, safety risks, indigenous culture. Fear greenwashing in name of climate action.

3

End brands seek more responsible sourcing

Car makers, jewelers, tech asking for transparency and improved practices; suppliers rising to market demand

4

Increased legal expectation for due diligence

Governments and international institutions seek understanding of impacts, reduce harm

2

What is IRMA?

IRMA System Fundamentals

1

World's most rigorous and detailed standard for mining

Stronger than any country's laws. But not pass-fail, creating value for continuing improvement.

2

Applies across large scale mines, anywhere in the world

Lithium, nickel, gold, copper, iron ore, platinum, more.

(Exceptions: thermal coal, oil and gas, uranium or deep sea)

3

Assessment is at mine site, not company, level

Individual mines are audited, receive scores. Only global standard publicly noticing audits; anyone can participate.

4

Equally governed

IRMA system is only standard for large scale mines equally governed by civil society and labor unions working with private sector.

The IRMA Standard

Comprehensive coverage of mining issues

Business Integrity

- Legal compliance
- Stakeholder engagement
- Stakeholder grievance mechanism
- Human rights due diligence
- Revenue transparency/anti-corruption

Planning for Positive Legacies

- Environmental and social impact assessment and management
- Free, Prior and Informed Consent
- Community support and benefits
- Resettlement
- Emergency preparedness and response
- Planning and financing reclamation and closure

Social Responsibility

- Labor rights
- Worker health & safety
- Community health and safety
- Conflict affected areas
- Security arrangements
- Cultural heritage protection
- Artisanal and small-scale mining (ASM)

Environmental Responsibility

- Water management
- Waste (tailings) management
- Air quality
- Greenhouse gases emissions
- Noise management
- Biodiversity, ecosystem services, protected areas
- Cyanide management
- Mercury management



**IRMA Standard for
Responsible Mining
IRMA-STD-001**

June 2018



IRMA's system is unique in hosting a mining standard and performance verification system governed by six houses with equal voting rights. A house cannot be left behind in decisions.

Mining	Purchasing	NGOs	Organized Labor	Affected Communities	Investors and Finance
Jon Samuel (Anglo American)	Claudia Becker (BMW.)	Payal Sampat (Earthworks)	Meg Gingrich (United Steelworkers)	Pavel Sulyandziga (Batani Fund)	Ashley Hamilton Claxton (Royal London Asset Management)
Grace Barasso (ArcelorMittal)	J.J. Messner de Latour (Microsoft)	Jim Wormington (Human Rights Watch)	Glen Mpufane (IndustriALL Global Union)	Meschack Mbangula (Mining Affected Communities United in Action, South Africa)	Jamie Bonham (NEI Investments)

Purchasing
Sector

**BMW
GROUP**



Mercedes-Benz

VIVARA

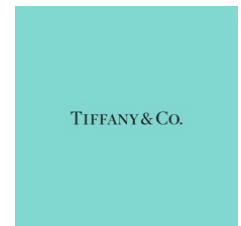


SCHAEFFLER

For your bench. At your side.



CAST



NOTHING



VOLKSWAGEN

FAIRPHONE

AKTIENGESELLSCHAFT

NGO Sector



Zimbabwe Environmental Law Association (ZELA)



How NGOs reference IRMA

“Where mining is necessary, it must be compliant with high-bar environmental and human rights standards such as the Initiative for Responsible Mining Assurance (IRMA).”

“Changes are needed:
...Certify best practices through initiatives such as the Initiative for Responsible Mining Assurance (IRMA).”

*“Companies need to
... Implement credible certification schemes, e.g. **IRMA**.”*



March 2020
Sierra Club's Mining
Policy

December 2018
World Wildlife Federation



'Green mining' is a myth:

The case for cutting EU resource consumption



Stopping destructive environmental impacts

- **Stopping unchecked biodiversity loss from mining:** The Rights of Nature should be recognised. Natura 2000 and Ramsar sites, conservation areas, Indigenous and community conservation areas (ICCAs), as well as the deep seas and the Arctic, should be strictly protected as **'no go areas' for extractive industries**. The EU must institute these 'no go areas', and define protection measures within policies and strategies such as the Biodiversity Strategy, and in its upcoming review of its Arctic Policy.
- **Strengthening the EU Environmental Impact Assessment Directive:** The EU should identify and close the legal loopholes that allow authorities to grant weak or incomplete EIA permits.¹⁹⁶ The EIA Directive should **integrate and legitimise local knowledge that reflects community value systems and communities' invaluable expertise on local ecosystem dynamics**. Permits and procedures should be strengthened, and adjusted to specific mining projects, with data approved and if possible led by local community governance. Indigenous and local community assessments such as the Major Projects Assessment Standard, developed by the First Nations Major Projects Coalition, could be considered for replication.¹⁹⁷ These procedures should also include better and local-level measurements of effectiveness. Finally, **EIAs for underground mining should be made mandatory** under the EIA Directive, and not left up to Member State discretion.
- **Mandatory IRMA certification for the metal and mineral mining sector through the EU Taxonomy Regulation:** TEU metal and mineral mining companies must adopt the Initiative for Responsible Mining Assurance (IRMA) certification,¹⁹⁸ regardless of the country of operation or industry. The second part of the Taxonomy list - being developed in 2021 - should make this mandatory for all metal and mineral mining projects. Unlike weaker standards (e.g. CERA, UNGP, OECD Guidelines), **IRMA certification happens at the mine site, rather than the company-level, and follows a step-by-step approach as opposed to a pass or fail one**. This breakdown provides better transparency about each activity and prevents companies from making overarching claims about their operations.

Government leaders and International Strategists are using IRMA **as template for stronger legal structures**



Government of Chile

IRMA is referenced in Chile's Lithium Strategy

“The design of a process of dialogue and participation with diverse actors will use as a frame of reference international agreements ratified by Chile, international standards (including IRMA) and regulations from the Ministry of Mines and Ministry of Environment”



EU Parliament

The EU Parliament resolution related to critical raw materials references the IRMA Standard

“...encourages the Commission to take the standard for responsible mining developed by the Initiative for Responsible Mining Assurance as a starting point...”



COP 26

IRMA was named as a tool for climate action

“...demanding mandatory human rights due diligence and adherence to all legal requirements; and stringent international environmental and human rights standards with independent, third-party verification of compliance,” such as IRMA.

First Nations challenge B.C. mineral claim regime in court

Requiring notification on claims would have big impact on exploration: AME

By Nelson Bennett | December 15, 2022, 11:02am



Terry Teegee, right, regional chief of the BC Assembly of First Nations, one of several indigenous groups supporting Gitxaala court case. | Nelson Bennett

Tony Fogarassy, chairman of First Tellurium Corp. (CSE:FTEL), said his company supports the Gitxaala, and is also seeking intervenor status. The company is a member of the Initiative for Responsible Mining Assurance (IRMA), Fogarassy said. Members are big corporations that want assurances that any mined materials they buy are mined responsibly and ethically.

“These companies and their shareholders demand sustainable and responsibly mined minerals in their supply chains, and that means minerals produced with the consent of indigenous peoples,” Fogarassy said. “By definition that consent includes the registration and issuance of mineral claims and mining leases.”

December 2022

In Mining.Com and Business in Vancouver Journal:

“At the heart of the case is the free entry mineral claim system that allows anyone to file a mineral claim without notifying or engaging with First Nations – something First Nations speaking at the press conference Thursday said breaches the spirit of the Declaration on the Rights of Indigenous People Act (DRIPA) and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) on which it is based.”

3

How does an audit work?
How is it held accountable?

How Mining Companies Engage with IRMA

1

Start with Mine Measure Self-Assessment Tool

Can be used to **quickly gauge current performance** against the IRMA Standard.

Self-assessment is a **required step to prepare for independent audit** and helps reduce audit costs.

Use of tool and self-assessment results are **confidential** unless a company chooses to share publicly

Companies get one free use.

2

Have mines independently assessed

Independent, 3rd-party assessment allows mines to make **credible claims** about environmental and social performance, and **share verified results publicly** with purchasers and other stakeholders.

Mines choose from one of two audit firms approved by IRMA.

IRMA Audits are Transparent and Inclusive

1

Audits are Publicly Noticed

Focused outreach to communities and NGOs. Anyone can share perspectives with auditors.

2

Auditors Interview Beyond the Mine Site

Interviews with civil society and workers without company present provide more holistic view of performance.

3

Reports are Freely Available

Audit reports are published on IRMA's website for anyone to review.

4

Current Engagement of the Mining Sector

Mining Sector Engagement In IRMA

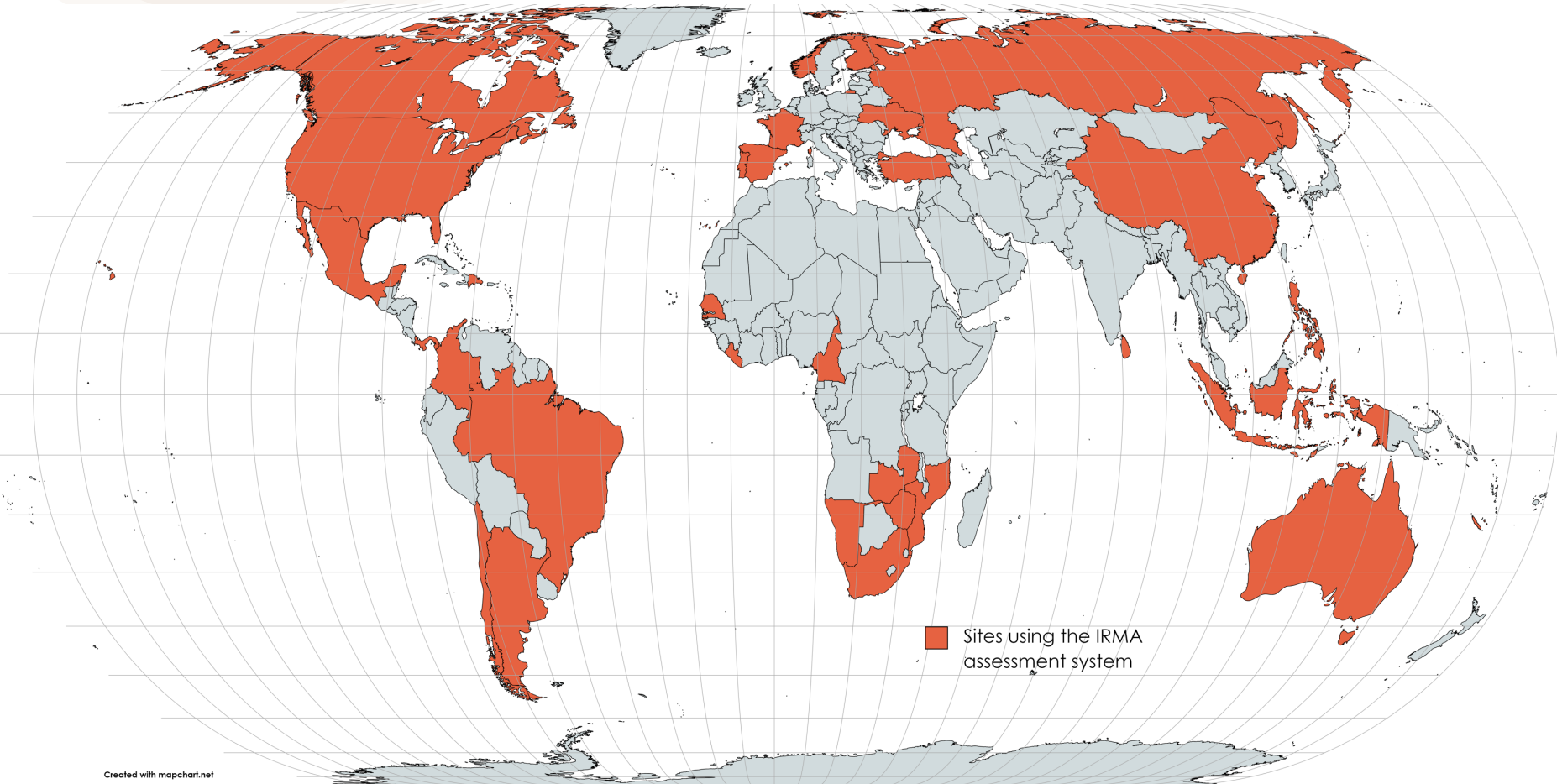
As of Feb 2024

Overall Engagement

- 103 sites engaged in IRMA
- 82 mining companies
- 60 sites self-assessing
- 24 piloting draft standards
- 19 independently assessing

Diverse Reach

- 30 countries
- 6 continents
- 50+ minerals



Audit reports Publicly releasing In 2024

Current audit report releases:

- Anglo American (2 sites, Brazil)

Upcoming audit report releases in 2024:

- Anglo American (4 sites, S. Africa)
- Arcadium Lithium [formerly Livent] (Argentina)

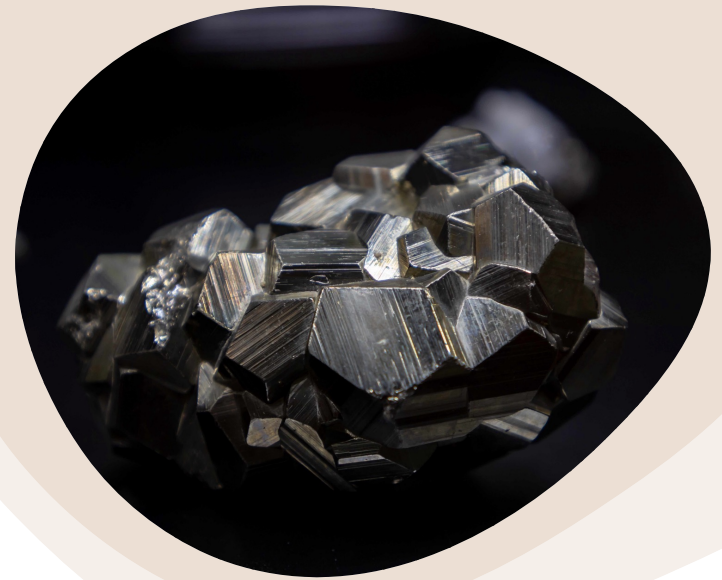
Surveillance audit report release in 2024:

- Anglo American (Zimbabwe)

New audits underway:

- Anglo American (1 site, S. Africa)
- ArcelorMittal (Brazil)
- Eramet (Senegal)
- Gerdau (2 sites, Brazil)
- Sibanye-Stillwater (2 sites, S. Africa and USA)
- Syrah Resources (Mozambique)

Please see the [Mines Under Audit link](#) from IRMA's home page for more information.



5

The Barro Alto and Minas-Rio Audit Reports

Notable “firsts” And important context

Notable firsts:

- First audit reports for **mines in Brazil**
- First **nickel mine** audit report
- First **iron ore mine** audit
- Connecting raw material extraction with **electric vehicle and steel supply chains**
- Opportunities to connect value for improved practices with **mines-to-market supply chains focus on responsible sourcing**



Context of note:

- These audits began years ago, during Covid
- Learning phase for all
- Company took “optional corrective action period” to make improvements in real time
- While more to say, unprecedented 170+ pages of details on performance, measured against best practices
- We want your feedback

Audit Basics – Barro Alto & Minas-Rio

Barro Alto

- 2019 Oct: **Self assessment** completed using the IRMA Standard
- 2020 Nov: Audit firm ERM-CVS completes **desk audit**
- 2021 Dec: ERM-CVS conducts **on-site audit**
- 2022: Operation used **optional "corrective action period"** to make improvements
- 2022 Oct: ERM-CVS reviews and verifies corrective actions

Minas-Rio

- 2021 May: **Self assessment** completed using the IRMA Standard
- 2021 Nov: Audit firm SCS Global Services (SCS) conducts **desk audit**
- 2021 Dec: SCS conducts **on-site audit**
- 2022: Operation used **optional "corrective action period"** to make improvements
- 2023: IRMA identifies critical requirement issue (Financing Reclamation) for resolution, SCS reviews and verifies corrective actions

Audit reports publicly released 7 Feb 2024

Reading the Results – Barro Alto

3. Summary of Findings

Detailed audit findings on a requirement-by-requirement basis can be found in Appendix A.

3.1. Audit outcome

The site is recognized as having achieved the level of IRMA 75 based on the performance recorded during the Stage 1 and Stage 2 audits.

3.2 Scores by IRMA Standard principle and chapter

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
Principle 1: Business Integrity		89	110	81%
Chapter 1.1—Legal Compliance	Yes	14.5	16	91%
Chapter 1.2—Community and Stakeholder Engagement	Yes	24.5	32	77%
Chapter 1.3—Human Rights Due Diligence	Yes	18.5	22	84%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	18	22	82%
Chapter 1.5—Revenue and Payments Transparency	Yes	13.5	18	75%
Principle 2: Planning for Positive Legacies		110.5	148	75%
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	26.5	34	78%
Chapter 2.2—Free, Prior and Informed Consent	No	Not Relevant	Not Relevant	Not Relevant

Reading the Results – Minas-Rio

3. Summary of Findings

Detailed audit findings on a requirement-by-requirement basis can be found in Appendix 1.

3.1. Audit outcome

The site is recognized as having achieved the level of IRMA 75 based on the performance recorded during the Stage 1 and Stage 2 audits.

3.2. Scores by IRMA Standard principle and chapter

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
Principle 1: Business Integrity		96.5	122	79%
Chapter 1.1—Legal Compliance	Yes	10	14	71%
Chapter 1.2—Community and Stakeholder Engagement	Yes	28	30	93%
Chapter 1.3—Human Rights Due Diligence	Yes	23.5	30	78%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	16.5	22	75%
Chapter 1.5—Revenue and Payments Transparency	Yes	18.5	26	71%
Principle 2: Planning for Positive Legacies		102.5	132	78%
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	29.5	32	92%
Chapter 2.2—Free, Prior and Informed Consent	No	Not Relevant	Not Relevant	Not Relevant
Chapter 2.3—Community Support and Benefits	Yes	33.5	40	84%

IRMA Achievement Levels

Not an Achievement Level

Self-Assessment

IRMA Transparency

IRMA 50

IRMA 75

IRMA 100

Improvement over time

Mines rate themselves.

Required for mines seeking independent 3rd-party assessment.

Option to share publicly.

Auditors assess performance.

Auditors assess performance.

Mines must meet a set of **40 critical*** requirements, as well as 50 or 75% of the requirements in each of the four Principle areas of the Standard.

* minor nonconformity allowed for critical requirements if timebound corrective action plan in place.

Auditors assess performance.

Mines must meet **all*** relevant requirements.

* minor nonconformity only allowed for non-critical requirements, and only if timebound corrective action plan in place.

—Must undergo independent, 3rd-party audit and share results publicly to be able to make public claims about reaching an achievement level—

6

How diverse readers might
use this report

How different readers might use the report:

- **Community members, mine workers, NGOs** can use the audit report to:
 - better understand areas of strength
 - identify needs for improvement
 - ask for more information
 - advocate for changes important to local stakeholders, Indigenous rights holders, workers
- **Purchasers and investors can:**
 - better understand the operations
 - better understand affected community and worker perspectives
 - use their unique leverage to seek improvements and appreciate the commitment to transparency
- **Other mining companies can:**
 - learn from Anglo American' strengths and challenges
- **Government staff can:**
 - better understand a site's performance and community input
 - use the IRMA Standard as a template to strengthen laws

7

Where and how to ask questions
And how to file a complaint

Where and how to ask questions, or file a complaint:

- **Materials explaining the audit report and the IRMA process:**
 - <https://responsiblemining.net/barroalto>
 - <https://responsiblemining.net/minasrio>
- **Questions about the operations' performance** are best asked to Anglo American at their dedicated public feedback address:
 - faleconosco@angloamerican.com
- **Questions about how the audit was done** are best directed to the audit firms:
 - Barro Alto: post@ermcvs.com
 - Minas-Rio: feedback@scsglobalservices.com
- **To file a complaint or provide feedback to IRMA:**
 - <https://responsiblemining.net/feedback>
 - Any language, email or WhatsApp (voice/text)
- **You can always ask any question, including providing feedback about the IRMA Standard by emailing:**
contact@responsiblemining.net

8

Perspective from
Anglo American on the IRMA
audit process and next steps

IRMA

Questions and Discussion