

Fenix Lithium Mine Audit Packet

February 2025



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Arcadium Lithium's Fenix Lithium Mine Completes IRMA Audit

Becomes first operation in Argentina to be audited against the world's only equally governed mining standard

26 February 2025 – Today the Initiative for Responsible Mining Assurance (IRMA) released the audit report of Arcadium Lithium's Fenix Mine against the IRMA Standard for Responsible Mining. The Fenix Mine is the first operation in Argentina to release an IRMA audit report, measuring performance against the world's most comprehensive standard describing best practices for mining.

While the audit report is being released today, providing detailed results describing performance on a broad range of issues, Fenix's overall achievement level is pending final assessment of Chapter 2.2, Free, Prior and Informed Consent.

Apart from pending final assessment of Chapter 2.2, the results of Fenix's audit meet the requirements for at least IRMA 50.

As noted in the audit report, relevant information related to Chapter 2.2 was gathered and reviewed by the auditors during the assessment period, and Arcadium Lithium was fully collaborative, supportive and transparent throughout the process. However, the independent audit firm SCS Global Services determined that additional testimonies and more in-depth interviews were necessary to fully assess Fenix's performance against this chapter. This chapter, along with all critical items, will be evaluated during the IRMA surveillance audit at the Fenix Lithium Mine. The surveillance audit is required within 12–18 months after the initial audit report's publication.

The Fenix audit occurred over a span of three years, starting on February 15, 2022, with the announcement of the independent, third-party audit, which includes time that the company invested in continuing improvement throughout the



review process. Rather than further delay disclosure of valuable information related to other aspects of social responsibility, environmental responsibility, business integrity and planning for positive legacies, Arcadium Lithium, IRMA and SCS Global Services agreed to publish the audit report. The full audit report is available on the [Fenix Mine audit page](#) on the IRMA website.

Paul Graves, president and CEO of Arcadium Lithium, said: *"We began the IRMA process with clear objectives: to help drive transparency in our industry, foster better engagement with community and Indigenous stakeholders, and gain insights to improve every aspect of our operations. The publication of the Fenix audit report is an important milestone in our ongoing commitment to these goals."*

"The report describes the unique profile of our Fenix operation at the Salar del Hombre Muerto in Catamarca, Argentina, where we have been producing lithium for more than 27 years. It reflects our team's desire and efforts to build a positive legacy and pursue opportunities for continuous improvement. We remain as focused as ever on responsible lithium production and would like to thank the team at IRMA, SCS Global Services and all of our stakeholders who contributed to this journey thus far," continued Mr. Graves.

Including Fenix, [22 industrial-scale mines worldwide are within the IRMA independent assessment system](#). After an initial self-assessment, a participating mine engages a third-party audit firm — trained and approved by IRMA — to conduct a detailed independent evaluation, including on-site visits to the mine and nearby communities. Following the release of the initial audit, a surveillance audit checks on the mine's performance. Three years after the initial audit, the operation is fully audited again.

"Through detailed IRMA audit reports, mining companies, communities and companies that purchase mined materials can gain the information they need to decide what's going well — and where improvements can be made — at specific mines. Independent evaluation against a rigorous standard that is equally governed by the people most affected by mining can reduce negative



impacts, improve benefits sharing, and reduce conflict,” said **Aimee Boulanger, Executive Director of IRMA.**

As the IRMA Standard is [recognized](#) and adopted around the globe, these audits are important steps in a deepening dialogue between mining companies and those potentially impacted by their operations. Because the IRMA process is always improving from the experience of the most recent audit, audit results should be reviewed and interpreted accordingly.

“If the results don't fully reflect the experience of communities, Indigenous rights holders or other stakeholders groups, we want to hear from them,” Ms. Boulanger said. *“We'll help them communicate with the company and with the auditors on any issues they feel were overlooked in the review. This is a cornerstone of our own commitment to transparency. We invite anyone who has criticisms of our work to join us in making it better. Finding ways to improve is built into our system — and a measure of its success.”*

The independent IRMA system is the only global mining standard that provides equal power to the public sector (communities and Indigenous rights holders, mine workers, and environmental and human rights advocates) alongside the private sector (mining companies, mined materials purchasers and investors).

For More Information:

- Aimee Boulanger, Executive Director
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- Fenix Mine audit packet: <https://responsiblemining.net/fenix-packet>
- Fenix Mine IRMA audit page: <https://responsiblemining.net/fenix>

February 2025

Questions & Answers

IRMA audit of Arcadium Lithium's Fenix operation

Do IRMA audits certify these mining operations as “responsible”?

IRMA audits don't yield “certification”, nor do they declare at what point a site becomes a “responsible mine”. The IRMA system is built to facilitate transparent conversation about mine impacts, at a table where civil society and labor have voice equal to the private sector, and to create greater value for all stakeholders.

In doing this audit, Arcadium Lithium volunteered their Fenix operation to be measured against a standard more rigorous, requiring more public engagement, and more transparent sharing of results than any other global standard. It is an act of leadership and commitment to increase dialogue across diverse stakeholder sectors, community members and with Indigenous rights holders.

IRMA doesn't use the word “sustainable” but rather brings attention to best practices for more responsible mining practices. The IRMA process also creates incentives for reducing waste, supporting a circular economy, addressing inequity in the use and benefits of mined materials, and supporting innovation that reduces the need for new extraction.

What do IRMA achievement levels mean?

IRMA recognizes four levels of achievement for an independent audit. IRMA Transparency means a mine has been independently audited against all relevant requirements in IRMA's Standard and has publicly shared its audit scores and the basis for auditors' findings. By sharing such extensive information, a mine provides diverse stakeholders with the information needed to understand the mine's operations and encourage improvement as needed.

IRMA 50 and IRMA 75 indicate a mine has been independently audited and met at least 50% or 75% of the possible score within each of the four principle areas of the IRMA

Standard—business integrity, positive legacies, and social and environmental responsibility.

[A mine receiving IRMA 50, IRMA 75 or IRMA 100 must at least substantially meet all IRMA's critical requirements.](#) IRMA 100 indicates an independently audited mine meets all requirements applicable to the mine operation. To date, no mine has achieved the level of IRMA 100.

Why is the Fenix Mine achievement level 'Pending'?

Fenix's achievement level is pending final assessment of Chapter 2.2, Free, Prior and Informed Consent. Indigenous consent is a critical requirement and a site must fully or substantially meet it to achieve IRMA 50 and above.

Evidence regarding Chapter 2.2 was gathered and reviewed by the auditors at SCS Global Services, and Arcadium Lithium was fully collaborative, supportive and transparent throughout the process. However, the auditors determined that additional testimonies and more in-depth interviews were necessary to fully assess this chapter. This chapter, along with all critical items, will be evaluated during the IRMA surveillance audit at the Fenix Lithium Mine. The surveillance audit required within 12–18 months after the initial audit report's publication. The surveillance audit will also include projects not yet under construction during scoping of the initial IRMA audit.

Apart from Chapter 2.2, the results of Fenix's audit meet the requirements for at least IRMA 50.

This audit occurred over a span of three years, starting on February 15, 2022, with the announcement of the independent, third-party audit. Rather than further delaying disclosure of valuable information related to other aspects of the mine operation such as water and waste management, and worker rights, amongst many other topics, Arcadium Lithium, IRMA and SCS Global Services agreed to publish the audit report in the interest of transparency and continuous improvement.

Public notice of the surveillance audit occurs at least 30 days beforehand, and will be circulated throughout potentially affected communities using various mediums that include but are not limited to radio announcements, posters, social media, direct outreach to contacts in the region, and IRMA's webpage.

What confidence can I have that the audit report is accurate?

The information in this audit report represents the work of an independent audit firm to measure a mining company's performance against IRMA's Standard for Responsible Mining. The Standard includes more than 400 requirements – it's more rigorous and detailed than any other mining standard in the world. It's also the only audit of large-scale mines that involves public notice and active encouragement of workers and community members to participate in the audit.

Auditors review thousands of pages of documents shared by the company, spend a week or more on site of the mining operation, and speak with workers, community members and Indigenous rights holders without the company present. Auditors consider the feedback from workers and stakeholders alongside evidence provided by the site to enable a balanced perspective of the mine's performance. Auditors consider this collective information to help determine a rating for each requirement. Their rationale is documented, including a reference to the evidence that was considered. Approximately half of IRMA's requirements include an expectation of the auditors to seek additional perspectives from workers, community members and others on a site's performance.

If you have questions or concerns that information in the report isn't accurate, or if you have information and opinions different than what you read here, we encourage you to contact IRMA to make it more accurate:

<https://responsiblemining.net/feedback>

Companies participating in IRMA audits are sharing a broad range of information with more transparency than has ever been done. Their effort is a work in progress and will further improve as communication increases with the people who are potentially most impacted by their operations.

Does an IRMA audit mean a mine is “safe”?

An IRMA audit does not declare a mine “safe” or “unsafe”. An IRMA audit measures how an operation's performance compares to best practices at a moment in time and transparently reports the results to the public. The audit reports provide unprecedented transparency so that stakeholders can make informed decisions as they engage with the mining company on areas for improvement that are most important to them.

How does IRMA compare to other standards and how does achievement in IRMA differ?

IRMA's audit reports offer more independently verified information and insights into a mine's performance than any other system. The IRMA Standard requirements are detailed, specific and comprehensive, providing clear visibility into a mine's operations. This level of transparency is new for the industry and provides immense value for civil society, labor unions, investors, and purchasers alike.

Audits which lack specificity and clear reporting create opacity and potential risks, as it becomes difficult to objectively assess which mining operations truly align with best practice. Transparency is the first critical step toward the IRMA's ultimate goal: to drive value for improved practices in mining.

I'm a mining company contemplating doing an independent audit – if I do one, will civil society appreciate my effort, or just further criticize our work? Is this level of transparency going to be appreciated or just create greater risk for us?

Trust is deeply broken between many mining companies and the stakeholders, community members and Indigenous rights holders impacted by their operations. Key to building trust is sharing information, being responsive to concerns about impacts, and demonstrating timely responsiveness to community and worker concerns.

Changing the current context won't happen overnight. We appreciate the effort of companies voluntarily stepping forward during this time of change and uncertainty to increase sharing of information, making commitments to improve practices, and showing positive progress.

Many stakeholders, community members and Indigenous rights holders don't trust auditors or audit processes, broadly speaking. Could there have been "cheating" or inappropriate influence of auditors involved in this process?

IRMA and approved firms are aware of some stakeholders' deep distrust of audit processes. This can happen when "independent audits" are actually consulting work done by experts hired to serve a particular company. IRMA audits are different from these type of consulting contracts in several ways.

To date, IRMA has approved, trained, and works closely with three firms (applications for new firms to join are always being accepted). While the mining company must pay for the costs of the audit, the right to do an IRMA audit is conferred by IRMA. IRMA can remove that right to audit if a firm has not met expectations in terms of competency, has not demonstrated freedom from conflict of interest, and is not working in service to the IRMA system and its commitment to all stakeholders, community members and Indigenous rights holders.

IRMA-approved audit firms must be accredited to ISO 17021 or a similar standard for third-party auditing and are required to meet strict requirements associated with maintaining impartiality and managing conflict of interest. Audit firms cannot provide consulting or internal auditing services to a site being audited, they must have systems to assess and mitigate risks to impartiality and must conduct an internal review of the audit methodology and report by someone not involved in the audit to verify compliance. Accredited audit firms are trained by IRMA, assessed annually by an external accreditation body, and also by an independent oversight body that specifically considers expectations for the IRMA assurance process. Audit firms that fail to properly manage and preserve impartiality could lose their accreditation and therefore their license to operate.

Why would a mining company agree to do a rigorous audit like IRMA?

It's best to ask this question to each mining company engaged to hear their perspective. To date, the first mining companies engaging in IRMA audits have done so because their local community members have asked them, or a customer or investor has asked. Mining companies are evaluating which standards systems bring the greatest value for the time and effort to engage. While the IRMA process is more rigorous, which requires more time and financial investment to participate—and while the high-bar requirements don't yield an easy pass, mining companies are finding that this type of robust assessment is better informing specific improvements and supporting better relationships with communities, customers and investors.

How can Indigenous Peoples, community members and other stakeholders use this report?

Indigenous Peoples, community members, NGOs, workers and other stakeholders can use the audit findings to engage directly with Arcadium Lithium.

An IRMA audit report is a tool that helps increase access to information about the impacts of a mining operation. It assists rights-holders by putting them on a more equal information footing when engaging with an operator directly, or in public.

The findings of an IRMA audit report can internationally amplify the voices of rights-holders that participated in the audit. The findings of an audit report provide data on a company's practices that can be cross-referenced with other sources of information by interested stakeholders including metals purchasers.

IRMA is the only voluntary mining standard in the world actively reaching-out to potentially impacted communities to encourage them to use the IRMA system as a tool to drive more responsible business practices, and to train and support them on how to do this.

How can governments/regulators use this report?

A voluntary initiative like IRMA will never replace, nor be as valuable, as the role that governments serve, and the laws they set which apply to all operators. Where mining companies have agreed to do an independent IRMA audit, they are often sharing information on performance beyond legal compliance. We encourage mining companies and their regulatory government agencies to communicate together about the information shared in the IRMA audit report.

IRMA staff offer our time in direct support to government staff who want to learn more about the IRMA Standard and cross-stakeholder definitions for best practices to drive more responsible mining practices. We support governments doing gap analysis work

to measure where IRMA goes beyond regulatory structure and considering the opportunity and value to strengthen laws using the IRMA Standard as a template.

How can purchasers of mined materials, like a car maker, or investors in mining companies use, these audit reports? What can companies buying materials from this operation say about their sourcing?

Purchasers of mined material, and investors in mining companies, can use IRMA audit reports to better understand environmental and social impacts at operations that supply minerals for their products or in which they invest. We encourage purchasers and investors to look beyond an IRMA achievement level and take an in-depth look at audit reports to understand the scores and performance for each chapter. IRMA reports can provide significant insights into a broader effort of due diligence to understand risks in the supply chain and support mining's customers and investors to be active participants in reducing potential impacts.

In being audited, Arcadium Lithium and other companies doing IRMA audits are sharing with purchasers, investors, workers, and civil society metrics on their performance for more than 20 different areas of impact. This means that interested readers can understand more, and ask for further insights, so that performance isn't just about single issues like greenhouse gas emissions, or worker health and safety, or protecting water resources—but can be evaluated against a comprehensive range of issues relevant for large-scale mining.

As purchasers and investors learn more about mining companies' operations, they can encourage sites to further share information on impacts, seek context and ask for improvement in areas of challenge, and value areas of strong performance. They can appreciate the effort Arcadium Lithium has made to be audited and can encourage in further dialogue between the company and its stakeholders, community members and Indigenous rights holders.

In terms of specific sourcing claims, IRMA has a new Chain of Custody Standard (responsiblemining.net/coc) which provides a way to independently audit a purchaser's supply chain and ensure claims of responsible sourcing can be verified.

If I have questions or feedback about this report, who do I contact?

IRMA's intention is to increase direct dialogue and information sharing between mining companies and diverse stakeholders, community members and Indigenous rights holders affected by the operations.

If you have questions about the mining operations' practices in this audit report, we encourage you to directly contact Arcadium Lithium at:

communications@arcadiumlithium.com

If you have questions about the process that auditors followed or the evidence they reviewed, contact the audit firm SCS Global Services at:

feedback@scsglobalservices.com.

If you have questions about the IRMA Standard and the metrics there for measuring mining company performance, or IRMA rules for auditing, or IRMA's governance, accountability or other aspects of how the IRMA system works, please contact IRMA using the information below.

IRMA staff are dedicated to helping all stakeholders, community members and Indigenous rights holders get answers to questions related to this audit report. Please contact us if you need help getting answers to questions.

For more information

IRMA Fenix audit page: <https://responsiblemining.net/fenix>

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JUNE 2023

Background

IRMA's assessment process

The IRMA independent mine assessment process

The Initiative for Responsible Mining Assurance (IRMA) oversees the only independent, comprehensive process for assessing individual mines' performance against an equally governed, consensus-based standard — the widely recognized IRMA Standard — and for measuring mines' subsequent progress in reducing social and environmental harm.

How the IRMA mine audit process works

- Audits against the IRMA Standard are conducted by third-party auditors who meet IRMA competency requirements and have received IRMA training.
- The rigorous IRMA process requires that those affected by a mine, including local community members and workers, must be given the opportunity to engage with the on-site auditing team and share their firsthand experiences and perspectives.
- An audit is announced in advance by IRMA and an IRMA-approved certification body. Prior to the on-site audit stage (see the step-by-step summary below), the certification body conducts additional outreach with affected parties.
- IRMA audits are in general conformance with established practices for independent audits (e.g., ISO 19011:2018 — Guidelines for Auditing Management Systems).
- In their evaluations, auditors apply scientific principles and professional judgment to reach evidence-based subjective interpretations. Auditors' judgments are based on the available facts, within

the limits of existing data, scope of work, budget and timing.

- Audit evidence is sampled from available information, and therefore the audit process is subject to a measure of uncertainty. Any actions based on the audit conclusions should take this into consideration.

Steps in the IRMA assessment process

- **A mine begins the voluntary IRMA process** by completing a self-assessment and uploading data to an evidence-compiling tool on the IRMA website. When this self-assessment is complete, the assessment by third-party auditing firm can begin.
- **Stage 1** of the independent assessment is a desk review conducted by an IRMA-approved certification body, which assigns a team of auditors to review the self-assessment ratings and supporting evidence provided by the mine. During this stage, auditors may request additional information.
- **Stage 2** is the on-site visit, during which auditors make observations at the mine site, review additional materials and interview mine managers and workers, as well as affected community members, Indigenous rights holders and others.
- **Based on their observations**, interviews and evaluation of information gathered during Stage 1 and Stage 2, the auditors then determine how well the mine meets each of the relevant IRMA Standard requirements — i.e., fully, substantially, partially or not at all. The final decision on the mine's achievement level is made by the certification body.

- **Because this rigorous, transparent process is still evolving**, we encourage critical review of the initial audit results and welcome further insights from those directly affected by the audited mine's operations.
- **As the IRMA Standard is recognized** and adopted around the globe, these audits are helping to foster dialogue on potential further improvements between mining companies and those affected by their operations.
- **A global standard sets expectations** for the industry worldwide, discouraging operators from gravitating toward weaker regulatory environments. When leading purchasers of mined materials express consistent aims with regard to social and environmental responsibility, it sends a powerful message, encouraging governments to strengthen laws and oversight to better protect the environmental and social wellbeing of their citizens.

IRMA recognizes four levels of achievement

IRMA Transparency applies to any mine that consents to an independent audit by IRMA-approved auditors and releases the results publicly.

IRMA 50, IRMA 75 and IRMA 100 indicate progressively higher levels of performance against the IRMA Standard in its key areas of focus: Social Responsibility, Environmental Responsibility, Business Integrity and Planning for Positive Legacies.

For a complete description of the IRMA assessment process and achievement levels, please visit our website: responsiblemining.net.

Providing feedback to the mining company or IRMA

- Any queries about audit results or complaints about the auditing process can be submitted via the complaints and feedback page of the IRMA website, which includes detailed guidelines on the Issues Resolution Process, as well as a Complaint Form.
- As part of the rigorous assessment process, IRMA team members are responsible for evaluating all complaints and must make impartial efforts to resolve them — with full and transparent documentation.
- Complaints related to the conduct of an audit should be directed to the auditing firm. Our website has contact details for all mines currently undergoing IRMA assessment.
- If you have questions or concerns about a specific mine's performance, we encourage you to contact the company directly. The best practices that inform the IRMA Standard include the expectation that participating companies will respond to, and build dialogue with, communities, workers, civil society, governments, customers and investors.
- If you wish to provide feedback or submit a general complaint about any aspect of the assessment process, you are welcome to contact IRMA anytime via the web-based Complaint Form or by sending a message to issues@responsiblemining.net.
- For queries about the IRMA Standard and its requirements — what we're measuring and why — please contact info@responsiblemining.net.

For more information

Aimee Boulanger, Executive Director
Initiative for Responsible Mining Assurance (IRMA)
contact@responsiblemining.net
Or visit responsiblemining.net

MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT

MINE SITE

Fenix Lithium Mine

OPERATING COMPANY

Arcadium Lithium

COUNTRY OF OPERATION

Argentina

FEBRUARY 26, 2025

Acknowledgements

IRMA believes that third-party, independent audits are most credible when there is robust participation not only from participating mines, but also from workers and stakeholders, particularly those from affected communities.


Outside stakeholders are not remunerated for their participation, and willingly give their time to provide perspectives and information on mine site performance. IRMA would like to recognize Fenix Lithium Mine workers, governmental representatives, and members of affected communities for their participation in this audit.

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Audit Details

Name of Mine:	Fenix Lithium Mine
Operating Company:	Minera del Altiplano S.A. (subsidiary of Arcadium Lithium plc.)
Mine Owner:	Arcadium Lithium
Country of Operation:	Argentina
Mined Material(s):	Lithium rich Brine
# Employees / Contractors:	523 employees / 120 contractors at the time of audit
IRMA audit webpage	https://connections.responsiblemining.net/site/132
Audit Type:	Initial Verification Audit
Audit Dates:	Stage 1: March – November 2022 Stage 2: November 28 – December 02, 2022 Chapter 2.6: June – July 2023 Technical Review: January – October 2024
Audit Team:	Lead Auditor (1), Social Auditor (1), Health and Safety Auditor (1), Environmental Auditor (1), Audit Support Team Members (3)
Audit Firm Declaration	<ul style="list-style-type: none"> ✓ The findings in this report are based on an objective evaluation of evidence (through review of documents; first-hand observations at the mine site; and interviews with mine staff, workers, and stakeholders) as presented during the Stage 1 and Stage 2 audit. ✓ The audit team members were deemed to have no conflicts of interest with the mine. ✓ The audit team members were professional, ethical, objective, and truthful in their conduct of audit activities. ✓ The information in this report is accurate according to the best knowledge of the auditors who contributed to the report.
Scope of Audit	The scope includes brine extraction, evaporation, processing, loading and other supporting services and infrastructure (i.e., maintenance, worker accommodations, transportation, power generation) at the Fenix Lithium Mine site located in Catamarca Province, Argentina.
IRMA Standard Version:	IRMA Standard for Responsible Mining, v.1.0 (June 2018)
IRMA Achievement Level:	Achievement Level Pending
Achievement Decision Date:	26 February 2025
IRMA Reference Number:	IRMA-STD-SCS-002-V-00004
Certification Body (CB):	SCS Global Services
SCS Authorized Representative:	Scott Coye-Huhn, Vice President, EBC Division
Signature:	

1. Mine Site Overview

1.1. Overview of Location

Arcadium Lithium’s brine extraction and lithium production operation, known as the Fenix Lithium Mine, is situated in Antofagasta de la Sierra department, Catamarca province, in the northwest region of Argentina (Figure 1).

The operation occupies an area near the southern edge of the Salar del Hombre Muerto, a salt flat within the Andes Mountain Range of South America (Figure 2).

The Salar del Hombre Muerto is part of the high Andean plateau or Altiplano, an elevated plain surrounded by mountains and snow-capped peaks within the Central Andean Puna ecoregion. Elevations within this area surpass 4,000 meters above sea level.

The climate in the ecoregion is cold, dry, and extremely windy. The warmest months are from December to February (average temperatures of 11°C/52°F) and the coldest months are in June, July, and August (average temperatures of -1°C/30°F). Temperature differences between night and daytime can be substantial, varying by 20 or more degrees Celsius (weather data recorded between 1992 to 2018; EIA, September 2018, Chapter 3b, Section 4.1).

The region receives an average annual precipitation of below 100 mm, and in some years, it receives no precipitation at all. Precipitation mainly occurs as rain in summer (December to February) and as light snowfall in winter (Livent Resource and Reserve Report, 2023). Ultraviolet (UV) radiation is a particular concern in the region due to the altitude, latitude, ground reflection, and the



Figure 1: Illustrative global location of the site

absence of cloud cover. Between November and January, the UV index can reach values of 10 to 18 corresponding to the 'high to extreme' category (>7) of the sun exposure scale (World Health Organization). Along with other climatic factors, the intense solar radiation contributes to high evaporation rates (average annual evaporation of 2,710 mm).

The Salar del Hombre Muerto salt flat (hereafter Salar) was formed from the repeated evaporation of water inside a closed shallow basin, giving the salt flat its distinctive appearance from a thick, white salt crust on the surface. It spans an area of nearly 600 km², and its size varies in response to precipitation, with expanding margins during wet years and receding margins during dry years.

Besides the direct fall of precipitation, water recharging the Salar originates from the Los Patos River and the Trapiche River, both fed by rain and snowmelt entering the Salar from the south (Figure 2). Being a closed, arid basin, freshwater reaching the Salar either evaporates or percolates into the groundwater. The Los Patos River serves as the primary freshwater source for the Salar, feeding several natural, brackish-water lagoons. The Trapiche River's waters infiltrate the ground before reaching the surface of the Salar (Figure 3) (EIA, October 2018, Chapter 2, Section 2.4.1.-2.4.3).

The Puna's high cold dry plateau is found above the tree line (est. 3200–3500 m elevation), and below the permanent snow line (above 4500–5000 m elevation) and vegetation is sparse due to the extreme environmental conditions (i.e., high altitude, low rainfall, poor soil quality). However, where fresh water is present at the surface (i.e., rivers, wetlands, springs), vegetation such as grasses, shrubs, lichen, moss is more abundant.

Shallow freshwater or slightly brackish (salt) water lagoons and wetlands provide important nesting and foraging habitat for a diversity of lifeforms adapted to extreme, high-altitude conditions. Zooplankton found in Puna wetlands (i.e., algae, diatoms, or aquatic invertebrates such as fly larvae and brine shrimp) attracts birds, including migratory birds such as guayata (Andean geese) and flamingos. The Andean Flamingo, classified by the International Union for Conservation of Nature (IUCN) as vulnerable, is known to reproduce and feed in Puna's high-elevation wetlands (vegas) during the summer. Other common species attracted to mountain wetland vegetation for food (i.e., grasses, shrubs, seeds, tubers, lichen) include the mountain vizcacha (rodents related to the chinchilla), camelids such as the guanaco

and vicuña (both closely related to the llama), as well as predators like the fox, the Andean cat, and Andean Mountain lion.

The vicuña was previously classified as endangered by the IUCN because of poaching. In 1979, the UNESCO Laguna Blanca Biosphere Reserve, located in the Departments of Antofagasta de la Sierra and Belén, Catamarca (Figure 2), was established to protect the vicuña and encourage sustainable handling practices such as Chaku (shearing and releasing). Over last 40 years, the population of this species has recovered to healthy levels (UNESCO, Laguna Blanca – Man and the Biosphere Programme).

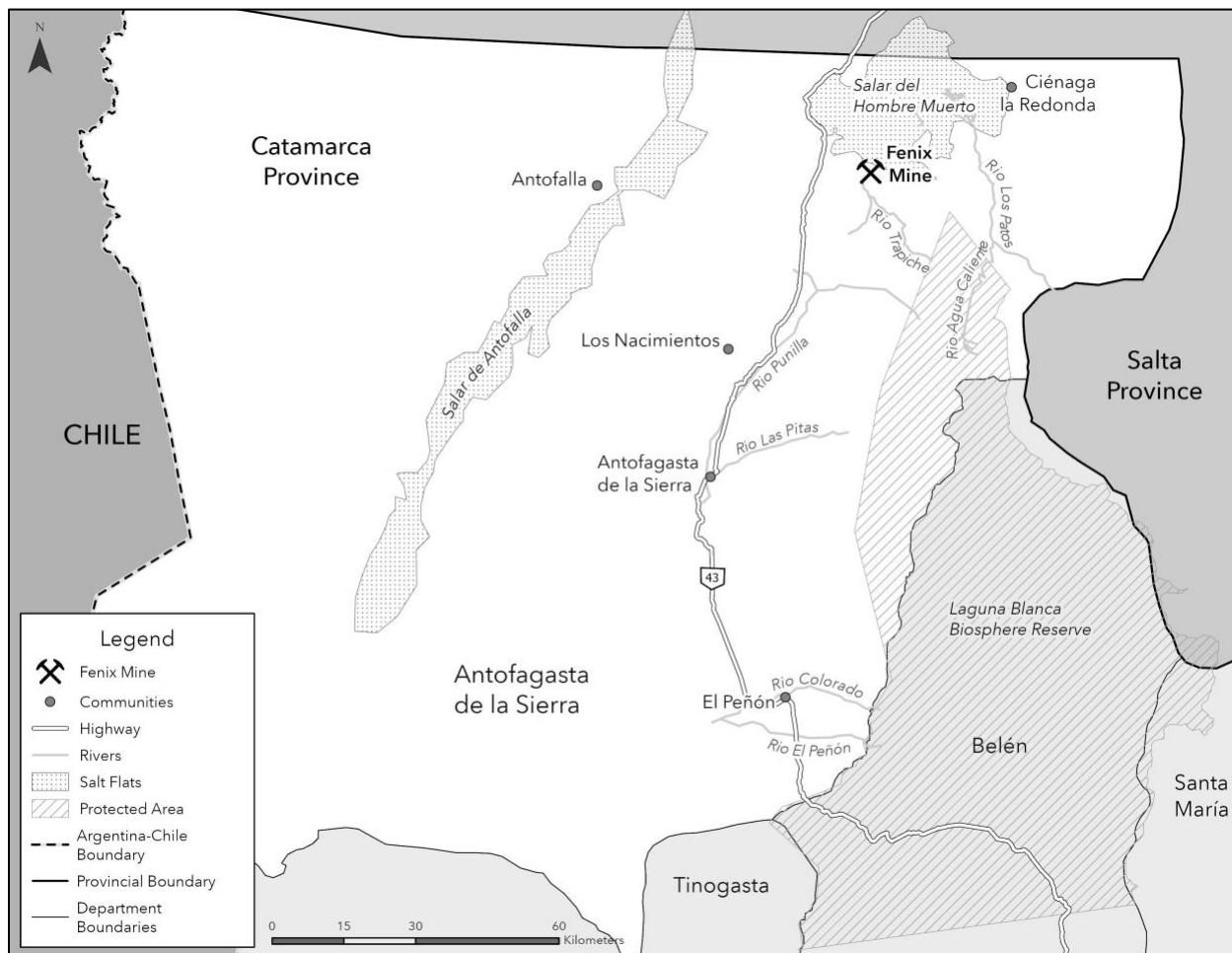


Figure 2: Illustrative, regional location of the site

In addition to supporting unique ecosystems and habitats, water sources and *vegas* provide ecosystem services that help sustain human populations and domesticated animals.

In the 2010 census, Antofagasta de la Sierra department recorded a population of 1,436 inhabitants in an area of 28,097 km². 50.8% of this population resides in the department’s capital city, Antofagasta de la Sierra

(730 inhabitants) and 18.3% in the community of El Peñón (263 inhabitants), located approximately 90 km from the Fenix Lithium Mine. The closest communities to the mine are Ciénaga la Redonda (45 km) and Los Nacimientos (85 km), each with populations of 40 and 43 people, respectively (2010 census).

Table 1. Population Distribution, Department of Antofagasta de la Sierra

	Est. Population	Est. Distance from the Fenix Mine
Dispersed rural population (including Ciénaga la Redonda)	355 (approx. 40 live in the Salar de Hombre Muerto*)	45 Km
Los Nacimientos	43	85 Km
Antofalla	45	97 Km
Antofagasta de la Sierra village	730	90 Km
El Peñón	263	111 Km

Source: Department of Antofagasta de la Sierra Census (2010); *Livent Resource and Reserve Report (2023)

Life in dispersed rural areas of the Puna region contrasts sharply with that in towns and villages, particularly in terms of access to essential services. The entire Department of Antofagasta de la Sierra has population densities of approximately 0.047 inhabitants/km². In Antofagasta de la Sierra department, fewer than 30% of rural residents report reliable electricity, which is typically supplied by solar panels or generators. Access to public water systems is also limited, with only 25% of rural households connected. The majority of residents, approximately 61%, depend on rainwater collection systems or untreated surface water sources. (EIA Update, August 2021, Chapter 2b, Section 6)

Essential services such as healthcare, transportation, and postal services are also limited in isolated rural areas. The lack of access to basic healthcare is significant as outdoor exposure to high and extreme UV radiation heightens health risks of skin cancer, cataracts and immune system damage.

The administrative center of Antofagasta de la Sierra offers comparatively better access to essential services. Nearly 90% of households in the town have

electricity, 82% access to public water, and 30% to sewage services. The community also benefits from basic public infrastructure, including educational facilities, medical services, and local markets. Within both rural dispersed and centralized populations, eight out of ten households use fuelwood for cooking and heating (i.e., grass, shrubs, wood) as access to centralized heating systems or infrastructure (i.e., natural gas) are unavailable. In some cases, small propane gas heaters or alternative solutions like solar heating may be utilized. (EIA Update, August 2021, Chapter 2b, Section 6)

Informal work, such as handicrafts using wool and fibers from the shearing of sheep, llama, and vicuña, or from the gathering of salt, are long-standing traditions that are highly valued in the region. Rural inhabitants in low-populated areas often practice subsistence or small-scale agriculture and pastoralism such as raising camelids (i.e., llama, alpaca), sheep and goats, for meat or wool. Donkeys are reared in some cases for use in transportation. Given the harsh climate, agriculture is uncommon. Fruits, vegetables, cereals, and legumes are imported to the region via merchants or intermediaries from the low elevation valleys. Vegetables are often exchanged through barter systems at small local markets.

Formal sector employment in lithium mining and tourism, while limited, is growing. These emerging industries are improving basic services and infrastructure in rural areas, but are also raising concerns of stakeholders for potential impacts such as freshwater availability and water-dependent ecosystems.

There is a diversity of ancestry amongst Argentines owing to immigration and Spanish colonization in the 17th century. One genetic study found the population in the Northwest provinces of Argentina to be, on average, 66% Indigenous American, 33% European, and 1% African ancestry (*Heterogeneity in Genetic Admixture Across Different Regions of Argentina*, Sergio Avena, Marc Via, Elad Ziv, et. al., 2012, National Institutes of Health, www.ncbi.nlm.nih.gov)

Argentina's National Institute of Indigenous Affairs (INAI) is a government organization that promotes and safeguards the rights of Argentina's recognized Indigenous population. INAI and Catamarca provincial legislation have identified the Kolla Atacameño people in Antofalla as an officially recognized Indigenous group in Antofagasta de la Sierra Department (2023 Argentina Registry of Indigenous Communities). At the time of the evaluation and to date, no other group has applied for or initiated its recognition process

with INAI, besides the Atacameños del Altiplano group. Atacameños del Altiplano initiated procedures for Indigenous recognition with the INAI in March 2023. Their application is currently under review.

1.2. Overview of Operation

Global demand for lithium is primarily driven by its use in rechargeable lithium-ion batteries, which are widely used in electronic devices such as smartphones, laptops, and tablets, as well as in electric vehicles and energy storage systems.

Arcadium Lithium plc (hereinafter “Arcadium Lithium”), formerly Livent Corporation (hereinafter “Livent”), which was previously the lithium division of FMC Corporation (hereinafter “FMC”), began producing lithium from brine at the Fenix Lithium Mine in Argentina in 1997 through its subsidiary Minera del Altiplano SA (Livent Resource and Reserve Report December 2023). In 2017, FMC announced the decision to separate its lithium business into a publicly traded company. Livent started trading on the New York Stock Exchange (NYSE: LTHM) in October 2018 and became a fully independent company in March 2019. During this IRMA assessment the Fenix Lithium Mine’s parent company changed from Livent to Arcadium Lithium following a merger with Allkem Ltd in January 2024.

Minera del Altiplano SA at the time of the audit, employed 523 people, divided among the different facilities: Fenix, Güemes, Hangar, Pocitos, Salta office and Catamarca office. Operative personnel work in 7 x 7 rosters, a schedule where employees work for seven consecutive days followed by seven consecutive days off, with an average for each roster of 150 employees working, and 150 people resting at any given time. The company facilitates transportation for workers to the mine site, utilizing road or air transport services on a rotational basis. In November 2022, besides direct-hire employees originating from both local communities and regional locations such as Salta and Catamarca, there was an average of 120 contractors and 150 workers at the Fenix Lithium Mine. Those contractors were employees of 15 separate companies.

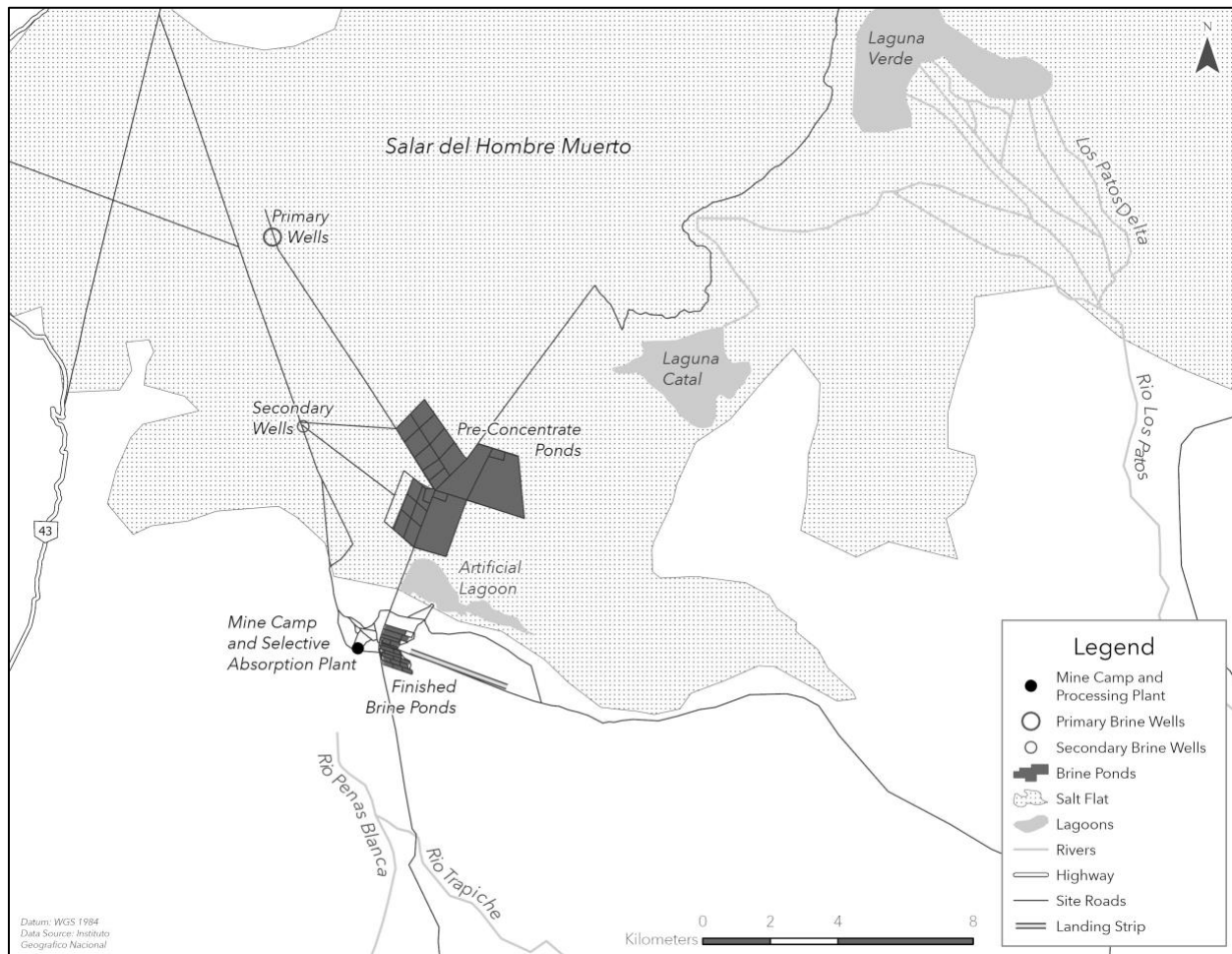


Figure 3: Illustrative, local setting of the site

The mining process at the site begins by extracting brine, saline groundwater enriched with lithium chloride (LiCl), and other minerals, from the Western Subbasin of the Salar del Hombre Muerto. The brine is lifted to the surface from the deep aquifer by a system of pumping wells. A succession of surface ponds is used to evaporate the water and concentrate the lithium - aided by the hot and arid climate. The pre-concentrated brine is then sent to the Fenix plant where a sorbent selectively removes the lithium chloride (LiCl) from the brine which is then desorbed forming the treated brine. Treated brine is further concentrated in finishing (evaporation) ponds for the production of lithium carbonate (Li_2CO_3) at the Fenix plant and Lithium Chloride at General Güemes' plant. Spent brine and reclaimed water are discharged into an artificial lagoon (refer to Figure 3).

The facility includes a camp with infrastructure to transport and house personnel and support the production and distribution of products (i.e., airstrip, water treatment, maintenance shop and warehouse facilities,

administrative offices, natural gas heating and steam, loading, waste management, etc.). Workers are provided housing, have access to a 24-hour clinic and cafeteria, and facilities such as meeting rooms, organized sports (i.e., basketball and soccer), and recreation (i.e., workout facility, meditation room, music lounge, movies, kitchens equipped with asador (Argentine barbecue) for special events, etc.).

According to the Livent Resource and Reserve Report, a dam (dique in Spanish) was constructed on the Trapiche River in 1994 by the previous operator of the Fenix plant (FMC) under a permit from the local government. Water from the impoundment was used to supply fresh water to the Fenix plant and for human consumption. The FMC project led to a reduction in surface water flowing to riparian vegetation within a range of 1 to 3 kilometers downstream of the plant, varying by year. Arcadium Lithium is voluntarily restoring the Trapiche Wetland in cooperation with local communities. To meet future freshwater demands, the company is constructing an aqueduct to supplement water reserves from the Los Patos Aquifer. Information from the Los Patos River aqueduct EIA from September 2018 was considered as evidence, but the Los Patos aqueduct itself was not operative at the time of the audit and as such was excluded from the scope of this audit; refer to Section 1.2.1 relating to the audit scope, below.

1.2.1. Scope of activities and facilities included in audit

The scope of this IRMA assessment is for the Fenix Lithium Mine operation, in Antofagasta de la Sierra department, Catamarca province, including:

- brine production wells
- pre-evaporation, evaporation, and equalization ponds
- processing plant
- ancillary services and infrastructure (i.e., maintenance, diesel/natural gas power generation, storage, transportation such as access roads and an airstrip)
- fresh water sources (wells and the Trapiche River impoundment)
- mine services (i.e., office, worker/contractor camps, clinic, cafeteria, waste and recycling, etc.)
- monitoring points of reference (air, water, and climate conditions)

This IRMA assessment scope excludes:

- off-site transportation of products

- off-site processing plant (General Güemes) and transfer station (Salar de Pocitos) in Salta Province
- expansions to increase production capacity, including those whose planning may have commenced but were not complete at the time of initial audit scoping (late 2021), such as the construction of the Los Patos River aqueduct.

-

The Fenix mine was audited as an ‘existing mine’ under the IRMA Standard V.1 (2018) defined as “a mine that was operational prior to the date that the IRMA Certification System becomes operational.”

2. Mine Site Assessment Process

2.1. Overview of IRMA Process

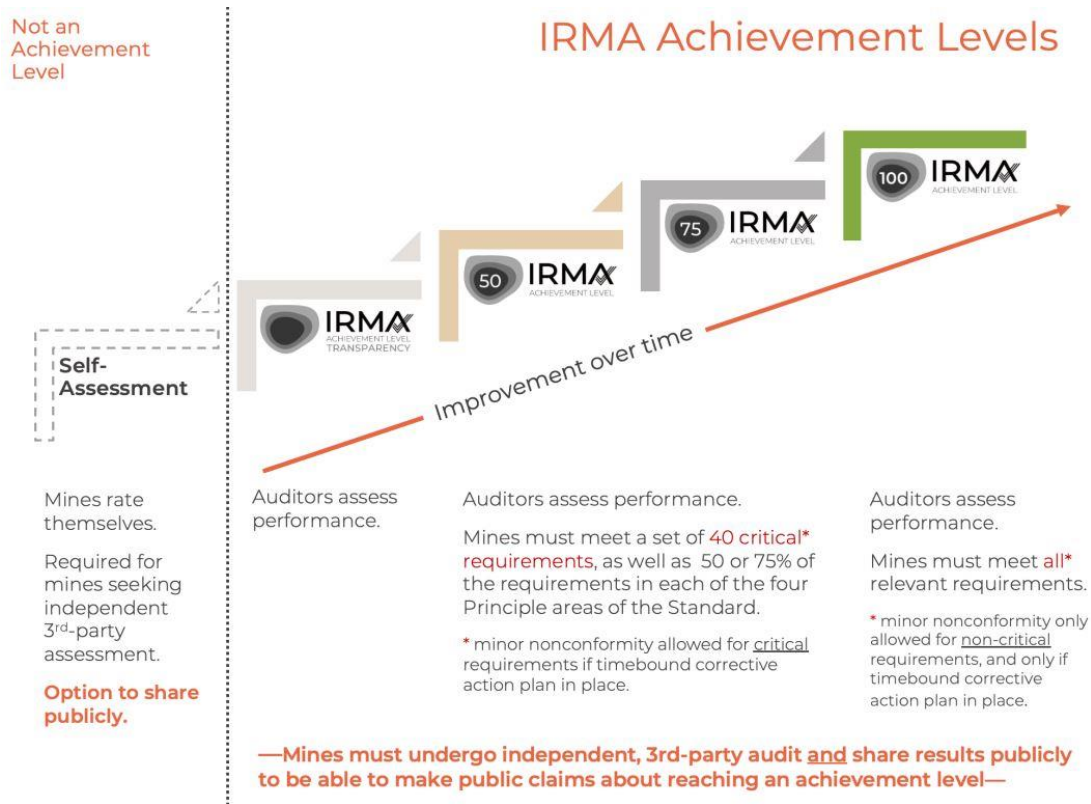
The mine site assessment process begins with mines completing a self-assessment and uploading evidence into an online tool (Mine Measure). When the self-assessment has been completed, the independent, third-party assessment may begin.

Stage 1 of the independent, third-party assessment is a desk review carried out by an IRMA-approved Certification Body, which puts together a team of auditors to review the self-assessment ratings and evidence provided by the mine site. During this stage of the audit additional information may be requested by auditors. Mines may also choose to take time to make improvements to practices prior to commencement of Stage 2.

Stage 2 is the on-site visit, which includes facility and site-based observations, additional review of materials, and interviews with mine site personnel, workers, stakeholders, and meetings with affected communities.

Based on observations, interviews and information evaluated during Stage 1 and Stage 2, auditors determine if mines are fully, substantially, partially, or not meeting each of the IRMA Standard requirements relevant at the mine site. The decision regarding a mine site's achievement level is made by the Certification Body.

IRMA recognizes four levels of achievement. For a complete description of the assessment process and achievement levels, see IRMA's *Assessment Manual for Mines*, available on IRMA's web site.



2.1.1. Scope and Limitation of Audits

Within the IRMA system, third-party assessment is a process by which mines are independently assessed by external auditors using the IRMA Standard for Responsible Mining by external auditors. Each assessment scope is approved by IRMA and conducted by auditors who: have undergone IRMA training, meet IRMA competency requirements and have been deemed to have no conflicts of interest with the mine site under assessment.

Audits are carried out in general conformance with established industry practice for independent audits (i.e., ISO 19011, ISO 17021). In addition to document review and interviews with company personnel, audits include independent research, including government inquiries, on-site visits of relevant facilities, observations of operating practices, and interviews with a sample of stakeholders and workers, among them contractors, wishing to participate in the assessment.

Auditor evaluations are based on samples of audit evidence assessed against the requirements of the IRMA Standard V1 (2018). Professional judgments expressed in audit reports are based on the facts available at the time of the audit within the limits of existing data, scope of work, budget, and schedule. As such, audit reports represent the reasonable conclusions of auditors based on the IRMA standard and associated guidance, and the facts and evidence available to them, within the framework of the audit process.

The information provided in this audit report is designed to identify opportunities for expanding responsible mining in accordance with the IRMA standard and is not intended for any other purposes.

2.1.2. IRMA Complaints Process

IRMA stakeholders wishing to file a complaint related to the mine site assessment process may do so by visiting the IRMA website at www.responsiblemining.net. Details on the complaints process can be found in IRMA's Issues Resolution Procedure (https://responsiblemining.net/wp-content/uploads/2020/03/IRMA-Issues-Resolution-System_2020.pdf).

2.2. Audit Process and Timeline

The Fenix Lithium Mine IRMA audit timeline was extended beyond normal timeframes presented in the IRMA standard and guidance documentation published at that time. This extended timeline was needed to incorporate

updated guidance provided by IRMA regarding mine closure financing obligations, between October 2022 and May 2023. The extended timeline reflects the logistics of the audit process itself, rather than any actions or issues at the mine site.

Throughout this period, the company was accommodating to SCS Global Services (SCS) audit team requests, consistently demonstrating support, transparency, and a commitment to the IRMA process.

Key audit milestones are summarized below.

- The Fenix Lithium Mine initiated its self-assessment in February 2021.
- SCS submitted the audit scope for IRMA approval in October 2021.
- SCS conducted the initial Stage 1 desktop audit from March to November 2022.
- SCS conducted the Stage 2 on-site audit from November to December 2022.
- SCS conducted additional assessment of Chapter 2.6 from June to July 2023, to align with the new IRMA Chapter 2.6 guidance (May 2023).
- Review of Chapter 2.2, including supplemental evidence, from January to November 2024.

Chapter 2.2 FPIC was researched during this audit (see Appendix A). Evidence regarding Chapter 2.2 was gathered and reviewed by the auditors, and Arcadium Lithium was fully collaborative, supportive and transparent throughout the process. However, the auditors determined additional testimonies and more in-depth interviews were necessary to fully assess this chapter. This chapter, along with all critical items, will be evaluated during the IRMA surveillance audit at the Fenix Lithium Mine, required within 12–18 months after the initial audit report's publication. The surveillance audit will include projects not yet under construction during scoping of the initial IRMA audit, such as the development of the Los Patos River aqueduct.

2.3. Stakeholder Engagement

IRMA requires that stakeholders are engaged as part of the mine site assessment process. Stakeholders are identified through the Stage 1 desktop review, independent online research (i.e., research papers, local and regional news, etc.), and outreach to community and institutional stakeholders. Audits are announced by IRMA and certification bodies (CB), and prior to the on-site audit there is additional outreach carried out by CBs.

Thirty (30) days prior to the onsite Stage 2 assessment, announcements were published on the SCS (<https://info.scsglobalservices.com/irma-public-announcements-and-stakeholder-feedback>), IRMA's website (responsiblemining.net), and through IRMA's blog and email distribution newsletter. The announcement, published in both English and Spanish, included an invitation to stakeholders to participate in the assessment. SCS prepared a similar announcement, only in Spanish, which was posted in surrounding communities' gathering places by the mine's staff. In addition, mine site personnel informed stakeholders of the onsite audit, both in person and via email. Invitation letters were also delivered to workers in one-on-one and group meetings, through email, and posted in common workplace areas frequented by workers.

Interviews were conducted both on-site and virtually to accommodate COVID-19 travel restrictions and social distancing protocols. To facilitate meaningful stakeholder participation, measures were taken to address potential barriers. These included offering language support in Spanish, providing flexible scheduling options, and selecting accessible physical locations for in-person engagements. Stakeholder engagement efforts encompassed outreach to Indigenous communities in the region and consultations with Argentina's National Institute of Indigenous Affairs (INAI). A group advocating for Indigenous recognition provided written feedback to IRMA during the audit timeframe but did not participate in person which limited the auditors' ability to fully engage regarding the site's performance, particularly related to Indigenous rights.

Out of respect for ongoing discussions and the wishes of traditional leaders, the ratings for Chapter 2.2 Free, Prior, and Informed Consent (FPIC) are not included in this audit. SCS remains committed to continuing this dialogue and will address FPIC during the surveillance audit once meaningful engagement with stakeholders has been achieved.

The IRMA assurance process prioritizes stakeholder input to ensure all relevant parties within the area of influence are properly considered. Interested parties who want to engage in the IRMA process are encouraged to register as stakeholders to receive updates on the Fenix assessment and participate in future evaluations.

To register as a stakeholder, submit questions or comments, or request an interview at any time as part of the assessment process:

Mail: 2000 Powell Street, Suite 600, Emeryville, CA 94608, USA

Email: feedback@scsglobalservices.com

Online: <https://info.scsglobalservices.com/irma-stakeholder-feedback>

Confidentiality of comments are maintained upon request.

2.3.1. Written comments/inquiries

All stakeholder and worker input, including written comments, informs the audit process. Ratings are based on a comprehensive review aligned to IRMA verification criteria that emphasizes the collective body of stakeholder input as validated through multiple sources rather than focusing on individual viewpoints.

Twenty-seven (27) inquiries were received by SCS via email, WhatsApp, and through the SCS online stakeholder feedback platform between October 21, 2022 and December 02, 2022 (refer to <https://info.scsglobalservices.com/irma-public-announcements-and-stakeholder-feedback>). Interviews were offered in response to all the 27 inquiries, of which four (4) accepted the invitation to an in-person meeting.

Two letters were received by the audit team. One was sent by a US researcher who studied the ecology of Andean Flamingos in Argentina (Letter to IRMA dated October 18, 2022). This letter provided context for the auditors' review of biodiversity, specifically in relation to understanding the migratory species as part of the audit process. The second letter was sent by a stakeholder group of the Fenix Lithium Mine (Letter November 30, 2022). This letter expressed opposition to the IRMA assessment of the Fenix Lithium Mine. This is confirmed in earlier correspondence where the stakeholder shared the same perspective with the IRMA Secretariat prior to the Fenix Lithium Mine audit (IRMA call, May 21, 2021). All stakeholder comments, inquiries, letters, interviews, and consultations received by December 2, 2022, are considered as part of the Fenix Lithium Mine assessment. Specific details are discussed in Appendix A, where comments from stakeholders may appear in the basis for rating.

2.3.2. Mine Staff

The following individuals were interviewed as subject matter experts in one or more topics relevant to the IRMA standard. The positions listed were those held at the time of the audit.

Position/Role

Operations Director

Camp Logistics

Camp Operator

Community Relations Coordinator

Compensation Analyst

Convoy Leader

Coordinator of Labor Relations and Compensation

Director of Legal and Public Affairs - Compliance Officer

Distribution

Electrical Maintenance Specialist

Environmental Coordinator

Environmental Engineer

Environmental Manager

Field Operations Manager

Field Operations Supervisor

Government Relations Coordinator

Health and Safety Technician

Head of Communications

Health, Occupational and Process Safety Coordinator

Health, Safety and Environmental Coordinator

Health, Safety, Environmental and Quality Manager

Human Resources Staff

Human Resources Managers

Laboratory Manager

Laboratory Technician

Legal Affairs Manager

Maintenance Welding Specialist

Nurse

Physician

Operations Manager

Position/Role

Plant Operator in Training
Plant Supervisor
Pond Production Manager
Production Engineer
Project Manager for Sustainability Systems and Practices
Road Safety
Senior Plant Operator
Health, Safety, Environmental and Quality Coordinator
Health and Safety Technical Assistant
Technical Center Regional Improvement Leader
Wireless Intelligent Networks Lab Representative

2.3.3. Workers/Contractors

Onsite interviews were conducted from November 29 to December 02, 2022, with audit participants including employees, contractors, interns, trainees, and worker representatives. The interviewees represented a cross-section of roles, genders, ages, hometowns, and backgrounds. Selection criteria included representation from different departments, positions, shifts, and years of experience, with a focus on key areas of the operation (i.e., processing plant, workshops, ponds management, clinic, water treatment facility, monitoring areas, waste and chemical storage, bagging, transportation and roadway maintenance, security, cafeteria, etc.), including vulnerable groups.

Identification of local and site-specific risks, vulnerabilities, and cultural contexts helped guide interview planning and methodology. Fenix staff assisted with logistics to ensure the availability and accessibility of workers for scheduled interviews in private areas; such as safety rooms, conference rooms, and offices, where comments could be provided confidentially without managers or supervisory personnel present. The number of interviews was guided by Annex B of the IRMA Auditors Manual (draft as of November 8, 2021). A total of 90 workers (employees and contractors) were interviewed.

In order to lessen bias and encourage broad participation reflecting an accurate representation of the workplace environment and worker

sentiments, workers were invited to comment on IRMA Standard criteria within their natural work areas throughout the audit, and not only during scheduled meeting times organized in collaboration with the company. Unscheduled, voluntary employee and contractor engagements considered work area safety and production, individual interviewee needs; taking place in private, out of sight and hearing of other workers or managers, with opportunities for follow-up if needed or requested.

Topics covered during the interviews, whether scheduled or unscheduled, included working conditions, health and safety concerns, the right to organize without fear of retaliation, inclusivity and equal opportunities for women, healthcare, human rights, and grievance mechanisms; allowing for anonymous reporting, as well as other IRMA Chapter criteria. Supervisory staff were interviewed individually and did not participate in group meetings; in order to avoid biasing or influencing employee responses.

Mine	Employees: 75 individuals (22 female, 53 male) Contractors: 15 individuals (3 female, 12 male)
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2.3.4. Government Agencies

Online interviews were conducted with the following government institutions from November 29 to December 01, 2022

Government Institutions

Delegate of El Peñón Municipality – Antofagasta de la Sierra
Delegate of Los Nacimiento Municipality – Antofagasta de la Sierra
Catamarca Ministry of Mining
Catamarca Ministry of Water, Energy and Environment
Argentina’s National Institute of Indigenous Affairs (INAI)

2.3.5. Participating Communities

Interviews were conducted with 6 communities with a total of 42 community stakeholders between: November 29th to December 1st, including face-to-face and online meetings. The community interviews included a cross-section of

members including men, women, youth, and vulnerable groups where practically possible.

Community Name	Location	Total Number of Attendees
Antofagasta de la Sierra Village	Antofagasta de la Sierra	8 (4 males, 4 females)
Antofagasta de la Sierra Village	online	2 males
Antofalla	Antofalla	6 (2 males, 4 females)
Antofalla	online	1 female
Ciénaga la Redonda	Ciénaga la Redonda	6 (3 males, 3 females)
El Peñón	El Peñón	4 (2 females, 2 male)
Los Nacimientos	Los Nacimientos	10 (2 male, 8 female)
Salar del Hombre Muerto	Salar del Hombre Muerto	5 (4 male, 1 female)

2.4. Summary of Areas Visited

The following areas were visited or observed during the on-site visit:

Operational areas	Brine extraction wells, processing plant, workshops, water treatment facility, pre-evaporation, evaporation and equalization ponds, waste sorting facility, clinic, fuel storage, power generation, employee and contractor's camp and management areas.
Other areas visited (e.g., downstream watercourses, off-site facilities)	Salar del Hombre Muerto, Trapiche River and Trapiche Wetland, environmental monitoring sites.
Surrounding Communities	<p>The audit team arranged meetings with stakeholders from various communities, including those listed below. It's important to note that some stakeholders reside in rural households or areas of the Department of Antofagasta de la Sierra, Catamarca Province, outside the municipalities listed:</p> <ol style="list-style-type: none"> Antofagasta de la Sierra Village Antofalla Ciénaga la Redonda El Peñón Los Nacimientos

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's achievement level is pending final assessment of Chapter 2.2 FPIC (see Appendix A). Based on the results of this audit, the remaining chapters and principle areas meet the requirements for at least IRMA 50. The final achievement level will be determined once the review of Chapter 2.2 is informed with further stakeholder feedback, which is expected to occur during the surveillance audit scheduled 12-18 months after the publication of the initial audit report.

3.2. Scores by IRMA Standard principle and chapter

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
Principle 1: Business Integrity		90	108	83%
Chapter 1.1—Legal Compliance	Yes	13	14	93%
Chapter 1.2—Community and Stakeholder Engagement	Yes	24	28	86%
Chapter 1.3—Human Rights Due Diligence	Yes	17.5	24	73%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	16	22	73%
Chapter 1.5—Revenue and Payments Transparency	Yes	19.5	20	98%
Principle 2: Planning for Positive Legacies				Pending
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	27.5	32	86%
Chapter 2.2—Free, Prior and Informed Consent				Pending
Chapter 2.3—Community Support and Benefits	Yes	13.5	16	84%

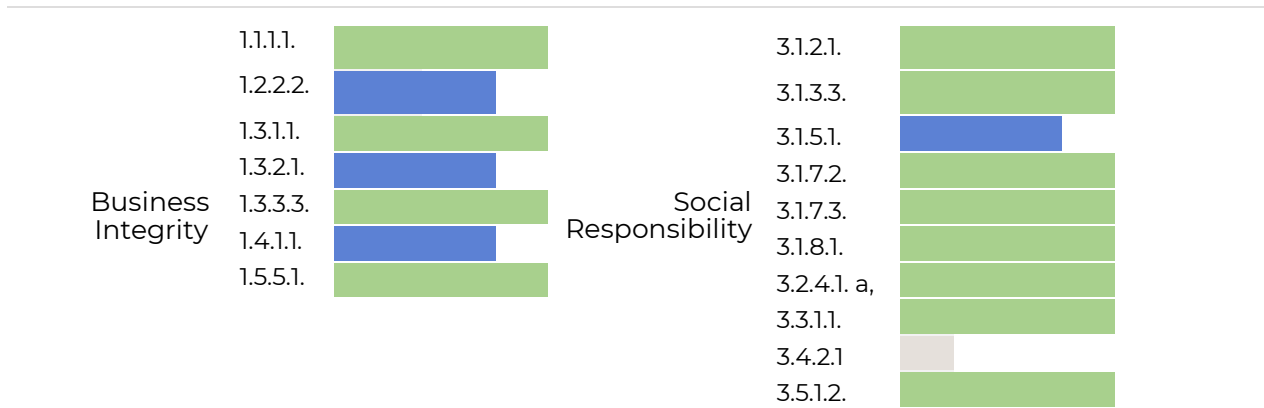
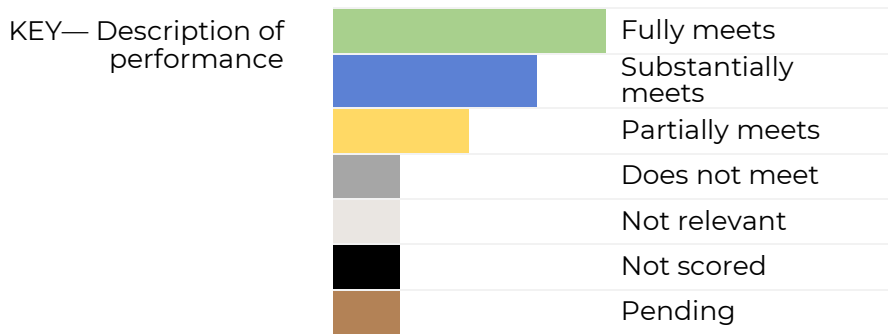
Chapter 2.4—Resettlement	No	Not Relevant	Not Relevant	Not Relevant
Chapter 2.5—Emergency Preparedness and Response	Yes	8.5	12	71%
Chapter 2.6—Planning/Financing Reclamation & Closure	Yes	25	34	74%
Principle 3: Social Responsibility		141	168	84%
Chapter 3.1—Fair Labor and Terms of Work	Yes	59.5	62	96%
Chapter 3.2—Occupational Health and Safety	Yes	43	46	93%
Chapter 3.3—Community Health and Safety	Yes	13.5	18	75%
Chapter 3.4—Conflict-Affected and High-Risk Areas	No	Not Relevant	Not Relevant	Not Relevant
Chapter 3.5—Security Arrangements	Yes	13	26	50%
Chapter 3.6—Artisanal and Small-Scale Mining	No	Not Relevant	Not Relevant	Not Relevant
Chapter 3.7—Cultural Heritage	Yes	12	16	75%
Principle 4: Environmental Responsibility		105.5	126	84%
Chapter 4.1—Waste and Materials Management	Yes	29.5	34	87%
Chapter 4.2—Water Management	Yes	32	38	84%
Chapter 4.3—Air Quality	Yes	6	10	60%
Chapter 4.4—Noise and Vibration	Yes	3	4	75%
Chapter 4.5—Greenhouse Gas Emissions	Yes	12.5	14	89%
Chapter 4.6—Biodiversity, Eco. Serv. and Protected Areas	Yes	22.5	26	87%
Chapter 4.7—Cyanide Management	No	Not Relevant	Not Relevant	Not Relevant
Chapter 4.8—Mercury Management	No	Not Relevant	Not Relevant	Not Relevant

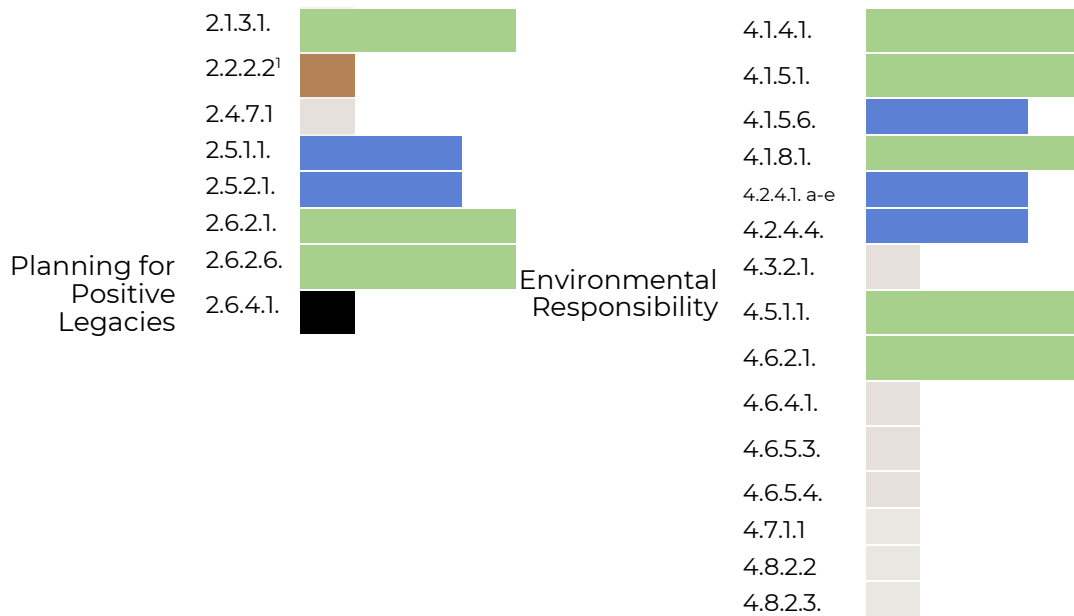
* Chapters are marked as not relevant if auditors have verified that the issues addressed in the chapter are not applicable at the mine site.

3.3. Performance on critical requirements

Critical requirements consist of a set of 40 requirements that have been identified by the IRMA Board of Directors as being core requirements that any mine site claiming to be following good practices in mining should be meeting. Mines seeking to achieve IRMA 100 must fully meet all critical requirements, and mines achieving IRMA 50 or IRMA 75 must substantially meet all critical requirements, demonstrate progress over time, and fully meet all critical requirements within specified time frames.

3.3.1. Snapshot of performance on 40 critical requirements





3.3.2. Performance on 40 critical requirements.

RATING LEGEND
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant
	Not scored
	Pending

Principle 1: Business Integrity

1.1.1.1	The operating company shall comply with all applicable host country laws in relation to the mining project.	
1.2.2.2	The mine fosters two-way dialogue and meaningful engagement with stakeholders	
1.3.1.1	The operating company has a policy in place that acknowledges its responsibility to respect all internationally recognized human rights.	

¹ Refer to the Chapter 2.2 introduction for more information.

1.3.2.1	and an ongoing process to identify and assess potential and actual human rights impacts from mining project activities and business relationships.	
1.3.3.3	The operating company is taking steps to remediate any known impacts on human rights caused by the mine.	
1.4.1.1	Stakeholders have access to operational-level mechanisms that allows them to raise and seek resolution or remedy for complaints and grievances that may occur in relation to the mining operation.	
1.5.5.1	The operating company has developed, documented, and implemented policies and procedures that prohibit bribery and other forms of corruption by employees and contractors.	

Principle 2: Planning for Positive Legacies

2.1.3.1	The operating company has carried out a process to identify potential impacts (social and environmental) of the mining project.	
2.2.2.2 ²	New mine sites have obtained the FPIC of Indigenous peoples, and existing mines either have obtained FPIC or can demonstrate that they are operating in a manner that supports positive relationships with affected Indigenous peoples and provides remedies for past impacts on Indigenous peoples' rights and interests.	
2.4.7.1	If resettlement has occurred, the mine monitors and evaluates its implementation and takes corrective actions until the provisions of resettlement action plans and/or livelihood restoration plans have been met.	
2.5.1.1	All operations related to the mining project shall have an emergency response plan	
2.5.2.1	and there is community participation in emergency response planning exercises.	
2.6.2.1	Reclamation and closure plans are compatible with protection of human health and the environment,	
2.6.2.6	and are available to stakeholders.	
2.6.4.1	Financial surety instruments are in place for mine closure and post-closure (including reclamation, water treatment and monitoring).	

Principle 3: Social Responsibility

3.1.2.1	Workers' freedom of association is respected.	
3.1.3.3	Measures are in place to prevent and address harassment, intimidation, and/or exploitation, especially about female workers.	
3.1.5.1	Workers have access to operational-level mechanisms that allows them to raise and seek resolution or remedy for complaints and grievances that may occur in relation to workplace-related issues.	

² Refer to the Chapter 2.2 introduction for more information.

3.1.7.2	No children (i.e., persons under the age of 18) are employed to do hazardous work	●
3.1.7.3	and no children under the age of 15 are employed to do non-hazardous work.	●
3.1.8.1	There is no forced labor at the mine site or used by the operating company.	●
3.2.4.1.a, b	Workers are informed of hazards associated with their work, the health risks involved and relevant preventive and protective measures.	●
3.3.1.1	The risks to community health and safety posed by the mining operation are evaluated and mitigated.	●
3.4.2.1	If operating in a conflict-affected or high-risk area, the mine has committed to not support any parties that contribute to conflict or the infringement of human rights.	—
3.5.1.2	The mine has policy and procedures in place that align with best practices to limit the use of force and firearms by security personnel.	●

Principle 4: Environmental Responsibility

4.1.4.1	A risk assessment has been done to identify chemical and physical risks associated with existing mine waste (including tailings) facilities.	●
4.1.5.1	Mine waste facility design and mitigation of identified risks shall be consistent with best available technologies and best available/applicable practices.	●
4.1.5.6	The operating company regularly evaluates the performance of mine waste facilities to assess the effectiveness of risk management measures, including critical controls for high consequence facilities.	●
4.1.8.1	The mine does not use riverine, submarine or lake disposal for mine wastes.	●
4.2.4.1.a-e	Water quality and quantity are being monitored at the mine site	●
4.2.4.4	and adverse impacts resulting from the mining operation are being mitigated.	●
4.3.2.1	When significant potential impacts on air quality are identified, the mine develops measures to avoid and minimize adverse impacts on air quality, and documents them in an air quality management plan.	—
4.5.1.1	There is a policy being implemented that includes targets for reducing greenhouse gas emissions.	●
4.6.2.1	The mine has carried out screening to evaluate its potential impacts on biodiversity, ecosystem services and protected areas	●
4.6.4.1	and these impacts are being mitigated and minimized.	—
4.6.5.3	New mines are not located in or adversely affect World Heritage Sites (WHS), areas on a State Party's official Tentative List for WHS Inscription, IUCN protected area management categories I-III, or core areas of UNESCO biosphere reserves	—
4.6.5.4	and existing mines located in those areas ensure that activities during the remaining mine life cycle will not permanently and materially damage the integrity of the special values for which the area was designated or recognized.	—

4.7.1.1	Gold or silver mines using cyanide are certified as complying with the Cyanide Code.	—
4.8.2.3	Mercury wastes are not permanently stored on site without adequate safeguards,	—
4.8.2.2	are not sold or given to artisanal or small-scale miners and are otherwise sold only for end uses covered in the Minamata Convention or disposed of in regulated repositories.	—

4. Next Steps

4.1 Corrective Action Plans

In the IRMA system, a mine may postpone release of its initial audit results for up to 12 months while it implements corrective actions to address non-conformities with critical or other requirements to reach a higher achievement level or gain recognition for improved performance. During 2023 and 2024, the Fenix Lithium Mine provided additional documentary evidence for auditor review. Where appropriate, this evidence was considered and incorporated into the evaluation presented in this report. The company's corrective action plan is provided as Appendix B. A surveillance audit will be conducted between 12-18 months of the release of this public report.

4.2 Disclosure of Summary Audit Report

IRMA requires that all mines that undergo independent, third-party auditing disclose a summary audit report within 12 months of an audit to maintain good standing in the IRMA system. The public summary report of Arcadium Lithium's Fenix Lithium Mine will be posted on the IRMA web site upon release of the public report.

4.3 Timing of Future Audits

The IRMA system is a three-year cycle, meaning that an operation goes through a reverification assessment every three years, with an interim assessment as required within 18 months of each full assessment.








The Fenix Lithium Mine's surveillance audit will take place no more than 18 months after the publication of this IRMA Initial Assessment Report.

APPENDIX A–Results by Requirement

Note: The following section includes the results for each requirement of the Standard. In total, the evidence included more than 1,000 files (MS Word, MS Excel, pdf, shapefiles, kmz, maps, photographs and mp3); only the most relevant ones are included in this section.

Principle 1: Business Integrity

RATING LEGEND
Description of
performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant
	Not scored
	Pending

Chapter 1.1—Legal Compliance

Basis for rating

1.1.1.1. **Critical.** The operating company shall comply with all applicable host country laws in relation to the mining project.



The evidence reviewed includes a comprehensive document indicating all applicable legislation and current status (IRMA Legal Checklist final modified, December 2022). This document covers topics such as labor, legislation, data privacy, mining, water, environment, and taxes, among others, indicating that the company is in compliance with applicable host country laws in relation to the mining project.

The evidence includes documentation that a closure plan for the facility was delivered to the legal authority for approval and is under government review. There is no estimated date for receiving this permit (see related comments in section 2.6 of this report).

1.1.2.1. The operating company shall comply with whichever provides the greatest social and/or environmental protections of host country law or IRMA requirements. If complying fully with an IRMA requirement would require the operating company to break host country law then the company shall endeavor to meet the intent of the IRMA requirement to the extent feasible without violating the law.



Not relevant. IRMA requirements are not in conflict with host country laws.

1.1.3.1. If non-compliance with a host country law has taken place, the operating company shall be able to demonstrate that timely and effective action was taken to remedy the non-compliance and to prevent further non-compliances from recurring.



The company presented two Action Plans in progress (Notification Card No. 726_2017, November 2017, and Notification Card No. 525_14, November 2014) referring to past noncompliance with host country laws. It also provided a document indicating all applicable legislation and current status (IRMA legal checklist, 2020), indicating compliance with legal requirements at the time of the on-site assessment.

This evidence indicates that plans are put in place and corrective actions are implemented promptly to remedy every noncompliance issue. For past noncompliance not addressed in a timely and effective manner, the company has evaluated why corrective actions were slow or ineffective. The evaluations led to further actions, including implementing procedures to improve the company's response time and effectiveness and prevent repeat noncompliance. During the assessment period, no corrective action plans were in progress.


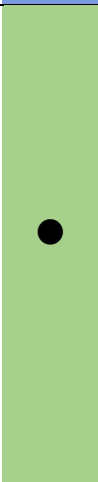

1.1.4.1. The operating company shall demonstrate that it takes appropriate steps to ensure compliance with the IRMA Standard by contractors engaged in activities relevant to the mining project.

Documental evidence and interviews with company management and contractors indicate the company has communicated requirements and standards applicable to its contractors that are aligned with the IRMA Standard. The evidence includes:

- Livent Supplier Code of Conduct v2, no date;
- SF-PRC-001 - Contractors under Livent Supervision, 2022;
- SF-PRC-001-F04 - Contractor Information and Signature of Compliance, 2021 and
- SF-PRC-001-F08 - Contractor Information - Work Log, 2017.

Policies outlining environmental or social expectations of contractors are in place, and the company performs oversight and monitoring of its contractors related to compliance with IRMA requirements. The company indicated that it had informed employees and contractors about IRMA and its requirements. Interviews with key employees confirmed their knowledge of the IRMA process and the company's alignment with compliance requirements.

Some newly hired personnel, including employees and contractors, stated to be unaware of some environmental, emergency response, and social compliance practices equivalent to the requirements in IRMA.

<p>1.1.5.1. The operating company shall maintain records and documentation sufficient to authenticate and demonstrate compliance and/or non-compliance with host country laws and the IRMA Standard.</p>		<p>According to its record-keeping policy SG-PRC (May 2020), the company utilizes software to track compliance and authenticate compliance with host country legislation, including permits, licenses, operational notices, inspection reports, and other regulatory documentation. The record-keeping and retention procedure was updated in August 2022 to include compliance with the IRMA Standard.</p> <p>The evidence does not include records and documentation to confirm that the company tracks IRMA Standard compliance. Interviews with a sample of key staff indicate that audit findings, when delivered, will allow for the implementation of IRMA compliance record-keeping.</p>
<p>1.1.5.2. Records related to compliance and/or non-compliance with host country laws shall be made available to IRMA auditors, and shall include descriptions of non-compliance events and ongoing and final investigations, allegations, discussions, and final remedies.</p>		<p>The company demonstrated the use of software to track compliance with host country legislation, including permits, licenses, and other legal requirements, which are already in place. The record-keeping policy SG-PRC (May 2020) provides the means to track compliance with applicable host country laws in relation to the mining project. A review of an Excel spreadsheet (IRMA Legal Checklist final modified, December 2022) indicates that the mining project complies with host country laws, and where it is in breach of Argentinian legislation, there is a plan in place, and corrective actions are well underway to resolve identified gaps. Auditors were also provided with descriptions of host-country non-compliance events as evidence, including ongoing and final investigations, allegations, discussions, and final remedies.</p>
<p>1.1.5.3. Upon request, operating companies shall provide stakeholders with a summary of the mining project's regulatory non-compliance issues that are publicly available.</p>		<p>The company has several means for fulfilling stakeholders' requests: directly, through telephone, e-mail, and WhatsApp, and through quarterly meetings. The evidence, a procedure describing how interaction with stakeholders should be handled (SG-PRC-007 - Stakeholder interaction v9, January 2022), outlines the process for fulfilling stakeholder requests, besides establishing the conditions</p>

		<p>for receiving, recording, and handling communications, ensuring transparency with internal and external stakeholders.</p> <p>Interviews with key staff indicate that the company would provide stakeholders with a summary of the mining project's regulatory noncompliance issues upon request. Interviews with a sample of stakeholders provide evidence that no such request has been made.</p>
<p>1.1.5.4. Where the operating company claims that records or documentation contains confidential business information, it shall:</p> <ul style="list-style-type: none"> a. Provide to auditors a general description of the confidential material and an explanation of the reasons for classifying the information as confidential; and b. If a part of a document is confidential, only that confidential part shall be redacted, allowing for the release of non-confidential information. 	●	<p>While none of the records or documents have been of a confidential nature, the company has shared documentation, where parts of the document were redacted that are confidential, such as an actual Disciplinary Warnings and Sanctions Form (May 2021) issued to an employee where the name and any confidential information have been removed) (b). The evidence indicates that the company has developed a procedure (SG-PRC-007, revision 9, January 2022) to address disclosures related to confidential information. The evidence indicates that the company will:</p> <ul style="list-style-type: none"> a. provide to auditors a general description of the confidential material and an explanation of the reasons for classifying the information as confidential; and b. only redact the confidential part, if a part of a document is confidential, allowing for the release of non-confidential information.

Chapter 1.2—Community and Stakeholder Engagement

Basis for rating

1.2.1.1. The operating company shall undertake identification and analysis of the range of groups and individuals, including community members, rights holders and others (hereafter referred to

The evidence reviewed includes:

- Environmental and Social Impact Study of the Fenix Project, Chapter 2 (October 2018),

collectively as “stakeholders”) who may be affected by or interested in the company’s mining-related activities.

- Environmental Control Program, Archaeology and Social Action Update (2021) prepared by external consultants, EC&Asociados Consultora Juridico Ambiental,
- Procedure titled: “Interactions with Interested Parties” (October 2021),
- Dialog tables meeting minutes (2021)
- Spreadsheet titled: “Identified Interested Parties” (SG-PRC-007-F01, October 2021) that lists representatives of government entities, community members, and guild members, among others, and
- Interviews with a sample of key company staff, subject matter experts, and government and community representatives, including Argentina’s National Institute of Indigenous Affairs (INAI), indicates that the company has identified a reasonable range of affected and interested stakeholders including vulnerable groups.

1.2.1.2. A stakeholder engagement plan scaled to the mining project’s risks and impacts and stage of development shall be developed, implemented and updated as necessary.

The evidence reviewed includes:

- List of identified stakeholders (SG-PRC-007-F01 - “Stakeholder Identification”, October 2021);
- Environmental and Social Impact Study of the Fenix Project, Chapter 2 (October 2018), and Environmental Control Program, Archaeology and Social Action Updates (2020 and 2021) prepared by external consultants,
- Minutes of meetings between the community, government authorities, and the company (Bitácora del Diálogo, March, July, August, October, and November 2021);
- Reports on community relations: annual report for 2020, quarterly reports for Q1 and Q2 2021, and three (3) monthly reports for 2021, describing all meetings and community support activities undertaken by the company (Community Relations Reports 2020-21, and 2021 Sustainability Summary);

- Interviews with a sample of stakeholders and key staff responsible with community relations, during the onsite audit.

The evidence indicates that: (a) the company has implemented systems that form the basis for stakeholder engagement which allows individuals and groups to continuously express their views and concerns, (b) feedback from stakeholders informs company stakeholder management practices, activities and outreach, such as when COVID-19 prohibited in-person meetings with the community and alternatives were pursued by the company, and (c) engagement activities are primarily through the provision of support to local communities, as requested, and these are delivered in local languages and in consideration of the remote location.

While the evidence demonstrates the company engages regularly with a range of stakeholders to address local needs, and this is positively valued as reported by interviewed stakeholders, the information provided does not document a project-specific stakeholder engagement strategy, including priorities of and methodology for the equitable allocation of resources aligned to stakeholders needs and interests as outlined in the International Finance Corporation (IFC) Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2007) handbook (IRMA Standard Guidance 2023).

1.2.1.3. The operating company shall consult with stakeholders to design engagement processes that are accessible, inclusive and culturally appropriate, and shall demonstrate that continuous efforts are taken to understand and remove barriers to engagement for affected stakeholders



The evidence reviewed includes samples of meeting minutes (Ciénaga la Redonda and Antofalla, 2020 and 2021), and community dialog tables, (Bitácora del Diálogo, November 2021), Community Relations Reports (2020 and 2021), a sustainability summary (2021), and interviews with a sample of stakeholders and key company community relations staff, and indicates the company maintains direct dialogue with a range of stakeholders through two main agreed-upon mechanisms:

- Periodic visits to community members, and

(especially women, marginalized and vulnerable groups).

- Communication spaces with its stakeholders through person-to-person, virtual, or mixed-mode dialogue tables, and adjusted as needed during the time of COVID-19 restrictions.

Interviews with a sample of stakeholders indicate company staff meets regularly with them, and visits are accessible and in line with their expectations. One stakeholder reported ideas and information presented by the company are not always easy for them to understand due to the technical language used. Other interviewees suggested more could be done to increase the participation and experience of older adults; that dialogue roundtables may prevent some women from participating due to household schedules or work responsibilities; and that engagement sessions that are filmed may prevent some from openly presenting their views.

1.2.1.4. The operating company shall demonstrate that efforts have been made to understand community dynamics in order to prevent or mitigate community conflicts that might otherwise occur as a result of company engagement processes.

The evidence reviewed includes community development projects and participation reports for the years 2020 and 2021 (Entrepreneurs Program, Good Neighbors Program, Quality of Life, Nutrition and Health Program, and Volunteer Program) implemented by the company. These documents, alongside interviews with key company staff, indicate that the company understands local community dynamics, including their needs and priorities, and has integrated this knowledge into its stakeholder engagement processes.

- Feedback from a sample of stakeholders is mixed. Some stakeholders acknowledged the company's efforts to address conflicts and strengthen engagement, while others from one community expressed concerns about conflicts arising from a perceived mismanagement of mine-related benefits by local authorities. The company has taken steps to address these tensions by delivering aid directly to community members, and enhancing inclusive participation mechanisms. Another stakeholder suggested that the company's actions may have contributed to divisions within the community, though specific details or examples of this were not provided to the auditors.

		<p>While these perspectives highlight potential areas for improvement, the company's documented initiatives, its understanding of community dynamics, and its proactive measures to address tensions demonstrate that it has made a meaningful effort to understand community dynamics in order to prevent or mitigate community conflicts that might otherwise occur as a result of company engagement processes.</p>
<p>1.2.2.1. Stakeholder engagement shall begin prior to or during mine planning, and be ongoing, throughout the life of the mine. (Note: existing mines do not need to demonstrate that engagement began prior to mine planning)</p>	<p>●</p>	<p>The Fenix Lithium Mine is an existing mine and has several processes in place that allow for engagement with stakeholders on an ongoing basis. The evidence reviewed includes: a sample of minutes of meetings with stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021), a sample of meeting minutes from roundtables in Ciénaga la Redonda and Antofalla (no date), and several reports on community relations and outreach including an annual report for 2020, quarterly reports for Q1 and Q2 2021, and three (3) monthly reports for 2021.</p>
<p>1.2.2.2. Critical. The operating company shall foster two-way dialogue and meaningful engagement with stakeholders by:</p> <ul style="list-style-type: none"> a. Providing relevant information to stakeholders in a timely manner; b. Including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders; c. Engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation; 	<p>●</p>	<p>The evidence reviewed includes: a sample of meeting minutes of roundtables (Bitácoras del Diálogo, March, July, August, October, and November 2021), Environmental Control Program, Archaeology and Social Action Update (2020 and 2021), community relations reports prepared by external consultants, and Management Boards Antofagasta de la Sierra (2017-2018). The evidence provides information to confirm that the company is working to foster two-way dialog and meaningful engagement with stakeholders in several ways:</p> <ul style="list-style-type: none"> a. fulfilling information requests led by the interests of stakeholders (i.e., water management, employment, education, and the framework of the company's Good Neighbors program that aims to provide support and economic assistance to communities through the provision of batteries, eggs, cheese, and other goods);

- d. Soliciting feedback from stakeholders on issues relevant to them; and
- e. Providing stakeholders with feedback on how the company has taken their input into account.

- b. including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders such as water;
- c. engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation;
- d. soliciting feedback from stakeholders on issues relevant to them; and
- e. providing stakeholders with feedback on how the company has taken their input into account

Two-way, meaningful dialog is illustrated in the many cases in the evidence and through interviews with stakeholders and key staff. One example, the closure of the new road, indicates (a) sharing of relevant information, (b) participation by site management and subject matter experts, (c) respectful, ongoing engagement, (d) feedback from stakeholders, and (e) reporting on how the company has taken stakeholder input into account.

While community stakeholders confirmed the company shares information as in (a) – (e), some reported information is not always provided unless requested; technical aspects may not always be easy to understand; or information may not be fully shared with the broader community (outside of the roundtables).

1.2.2.3. The operating company shall collaborate with stakeholders, including representatives from affected communities, to design and form stakeholder engagement mechanism(s) (e.g., a permanent advisory committee, or committees dedicated to specific issues), to provide stakeholder oversight of the mining project's environmental and social performance, and/or input to the company on issues of concern to stakeholders.

The evidence reviewed includes: dialog table minutes (Bitácora del Diálogo, March, July, August, October, and November 2021), a sample of minutes of meetings in Ciénaga la Redonda and Antofalla (no date), Community Relations Reports (2020 and 2021), a Sustainability Report (2021), as well as interviews with a sample of stakeholders and key staff. The evidence indicates the company, in partnership with local communities, has created spaces for joint negotiation with stakeholders from potentially affected communities, and that stakeholders are provided opportunity for review and input of the mining project's environmental and social performance. Company responses to stakeholder interests and concerns provide evidence engagement processes are working as

intended and mechanisms improved over time to reflect stakeholder inputs.

1.2.2.4. Engagement processes shall be accessible and culturally appropriate, and the operating company shall demonstrate that efforts have been made to include participation by women, men, and marginalized and vulnerable groups or their representatives.

The evidence reviewed includes: dialog table minutes (i.e., different Bitácoras del Diálogo 2021), Community Relations Reports carried out by an external consultant (2020 and 2021), as well as interviews with a sample of community stakeholders and key staff. The evidence indicates the company has adopted actions and communication channels suited to local cultural characteristics, including the involvement of both men and women. Documental evidence indicates broad participation and decision-making by consensus representing all affected communities, including meeting organization, times, places, content, and style. Flexibility to allow for inclusivity and diversity of participation, such as gender, age, disability, or background was reflected in interviews with key staff and echoed by community stakeholders who indicated the company had taken recent steps to ensure access to informative events by providing transportation.

While the company maintains an ongoing system to include marginalized and vulnerable groups in engagement processes, some interviewees indicated that the broader participation of women (i.e., teachers, nurses, homemakers) or those with low literacy could be improved.

1.2.2.5. When stakeholder engagement processes depend substantially on community representatives, the operating company shall demonstrate that efforts have been made to confirm whether or not such persons represent the views and interests of affected community members and can be relied upon to faithfully communicate relevant information to them. If this is not the case, the operating company shall

The evidence reviewed includes primarily interviews with a sample of stakeholders and key staff, alongside meeting minutes from dialog spaces and community relations reports (2020 and 2021), and indicates an awareness that representatives are freely chosen by each community, participate in dialogue spaces with the company and the EcoConciencia Foundation, and detailed logs are kept as a record of each participant's contributions—their views, doubts, and the agreements reached in the participation processes.

While the dialog tables are open to everyone, with participation aimed at community inquiries and interests channeled through

<p>undertake additional engagement processes to enable more meaningful participation by and information sharing with the broader community.</p>		<p>both the broader community and appointed delegates confirmed in interviews, the evidence sample does not indicate how delegates receive and disseminate information to their community members, or conclusively confirm whether community-appointed delegates in all cases represent the views and interests of their broader community, as through a community satisfaction survey or other means.</p>
<p>1.2.2.6. The operating company shall document engagement processes, including, at minimum, names of participants, and input received from and company feedback provided to stakeholders.</p>	●	<p>The evidence reviewed includes: a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácoras del Diálogo, March, July, August, October, and November 2021) and Management Boards Antofagasta de la Sierra (2017-2018). The evidence indicates that the company has regular and frequent engagement with individuals and groups, and maintains detailed records of participants' interests, views, concerns, as well as feedback and agreements reached because of engagement processes.</p>
<p>1.2.2.7. The operating company shall report back to affected communities and stakeholders on issues raised during engagement processes.</p>	●	<p>The evidence reviewed includes: a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Dialog Table Minutes March, July, August, October, and November 2021), as well as interviews with a sample of stakeholders and key staff. The evidence indicates there is a detailed record of stakeholder participation and a process for reporting back to the whole population about the progress of measures adopted based on the agreements reached during engagement activities, and this process is transparent. Meeting action items and minutes are discussed and approved, and copies of each are distributed to participants at each meeting, and recounted during routine, person-to-person visits.</p>
<p>1.2.3.1. The operating company shall offer to collaborate with stakeholders from affected communities to assess their</p>	●	<p>The evidence reviewed includes: records and minutes of participatory water monitoring (Monitoring Program, 2021) and dialog table meeting minutes (2021) along with interviews with a</p>

capacity to effectively engage in consultations, studies, assessments, and the development of mitigation, monitoring and community development strategies. Where capacity gaps are identified, the operating company shall offer appropriate assistance to facilitate effective stakeholder engagement.

sample of community stakeholders and key staff. The evidence indicates the company has offered to collaborate with stakeholders from affected communities to broaden participation and consultation effectiveness. Consultations and collaborations have led to improvements in programming and stakeholder participation (i.e., in water monitoring), and this work is ongoing.

1.2.4.1. Any information that relates to the mine's performance against the IRMA Standard shall be made available to relevant stakeholders upon request, unless the operating company deems the request to be unreasonable or the information requested is legitimate confidential business information. If part of a document is confidential only that confidential part shall be redacted, allowing for the release of non-confidential information.

The company has not shared nor received any requests for information related to the mine's performance against the IRMA Standard, as they do not yet have formal information pertaining to their results. Interviews with key staff indicate that the company will share IRMA results when available and share any additional documents requested by stakeholders, provided the requested information is not confidential. The evidence reviewed includes the company's procedure on provision of information regarding the company's occupational health and safety, environment and quality management system, its environmental, safety, and productive performance and its relationship with the environment and communities (Stakeholder Interaction, SG-PRC-007, Revision 9, October 2021) and the information request form to be completed by stakeholders (Information Request Log, SG-PRC-007_F02, October 2021). Stakeholder interviews did not reveal requests for information on the company's performance under the IRMA Standard.

1.2.4.2. If original requests for information are deemed unreasonable, efforts shall be made by the operating company to provide stakeholders with overviews or summaries of the information requested.

Not relevant. Refer to response in 1.2.4.1. Arcadium Lithium has not received requests for information (including requests they could not accommodate fully). Stakeholder interviews did not reveal requests for information (unmet or otherwise).

1.2.4.3. Communications shall be carried out and information shall be provided to stakeholders in a timely manner, and shall be in formats and languages that are culturally appropriate and accessible to affected communities and stakeholders



The area around the Fenix Lithium Mine is remote and sparsely populated with some means of communication such as mail or newspapers out of reach. The evidence reviewed included Management Board Minutes Antofagasta de la Sierra, 2017- 2018, meeting minutes from roundtables (Bitácora del Diálogo, March, July, August, October, and November 2021), and a sample of interviews with stakeholders, and indicate that information is provided to stakeholders during person-to-person visits and through regular community meetings and this communication is frequent, timely, inclusive, in formats culturally appropriate and accessible.

Interviews with some community stakeholders report the company provides information upon request and that technical information may not always be in formats understandable to them, and/or shared with the broader community.




1.2.4.4. If requests for information are not met in full, or in a timely manner, the operating company shall provide stakeholders with a written justification for why it has withheld information.



Not relevant. There is no evidence of any request for information. Stakeholder interviews did not reveal requests for information (unmet or otherwise).

Chapter 1.3—Human Rights Due Diligence

Basis for rating

<p>1.3.1.1. Critical. The operating company shall adopt a policy commitment that includes an acknowledgement of its responsibility to respect all internationally recognized human rights</p>		<p>The evidence reviewed included the company's Human Rights Policy (Política de Derechos Humanos, 2019), and indicates the company has adopted a Human Rights policy that includes an acknowledgment to respect all internationally recognized human rights.</p>
<p>1.3.1.2. The policy shall:</p> <ul style="list-style-type: none"> a. Be approved at the most senior level of the company; b. Be informed by relevant internal and/or external expertise; c. Stipulate the operating company's human rights expectations of personnel, business partners and other parties directly linked to its mining project; d. Be publicly available and communicated internally and externally to all personnel, business partners, other relevant parties and stakeholders; e. Be reflected in the mining project's operational policies and procedures. 		<p>The company's Human Rights Policy (Política de Derechos Humanos, 2019), is a corporate document that reflects in the company's operational policies and procedures (e) The document is (a) approved at the most senior level (according to a letter sent to the UN by their CEO in March 2016 to the UN, reaffirming their corporate commitment to the ten principles of the UN Global Compact on human rights, labor, environment, and anticorruption). The evidence reviewed indicates that this policy was (b) informed by external expertise such as the International Labour Organization, United Nations Global Compact, and Universal Declaration of Human Rights, (c) stipulates the company's expectations related to human rights, (d) is publicly available on the company's website and widely communicated to workers, contractors and suppliers, including procurement services, at all levels of the company based upon interviews at the time of the onsite audit.</p>
<p>1.3.2.1. Critical. The operating company shall establish an ongoing process to identify and assess potential human rights</p>		<p>The evidence reviewed includes a procedure for human rights risk assessment (HR-PRC-003-F01 December 2021), a Human Rights Policy (Política de Derechos Humanos, 2019), and a risk matrix for</p>

impacts (hereafter referred to as human rights “risks”) and actual human rights impacts from mining project activities and business relationships. Assessment of human rights risks and impacts shall be updated periodically, including, at minimum, when there are significant changes in the mining project, business relationships, or in the operating environment.

potential human rights risks with a focus on employees, contractors, service providers, suppliers and business relationships (Human Rights Violation Risk Assessment Matrix, December 2021). The evidence indicates the company has established a system to evaluate human rights risks and impacts. Based upon interviews with a sample of key staff, including subject matter experts, the effectiveness of this system is reviewed at least annually and monitored continuously by the human resources department using the risk matrix which identifies potential operational human rights risks, an analysis of the probability of occurrence of the risk, as well as a breakdown of the severity of each risk's impact to inform mitigation, control, or elimination actions.

Interviews with key staff and a sample of workers and workers representatives, including contractors, indicate the company conducts annual training and emphasizes and evaluates operational risks, and those that may emerge in the workplace (i.e., discrimination, harassment, employment of child labor, etc.) and in communities in conjunction with the project (i.e., such as along transportation routes or through business relationships, including potential risks to vulnerable groups such as women and children), on a regular basis.

Observations and interviews with a sample of workers and community stakeholders indicate the company actively prioritizes the prevention and mitigation of any potential human rights risks. And the company investigates and remedies any perceived or actual human rights abuse.

While observations and interviews with a sample of workers and community stakeholders at the time of the audit indicate the company actively prioritizes the prevention and mitigation of any potential human rights risks and promptly investigates and remedies perceived or actual human rights abuse, evidence that potential impacts specific to communities were assessed is not included.

- 1.3.2.2. Assessments, which may be scaled to the size of the company and severity of human rights risks and impacts, shall:
- a. Follow a credible process/methodology;
 - b. Be carried out by competent professionals; and
 - c. Draw on internal and/or external human rights expertise, and consultations with potentially affected rights holders, including men, women, children (or their representatives) and other vulnerable groups, and other relevant stakeholders.

The evidence reviewed includes a procedure for human rights assessment (Human Rights Infringement Risk Assessment Procedure, December 2021), a risk matrix for potential human rights risks with a focus on workers (Human Rights Violation Risk Assessment Matrix, December 2021), as well as interviews with a sample of stakeholders and key staff, and indicates that the company has developed (a) standard methodology to assess human rights risks.

The evidence does not include information to confirm: (b) qualifications of the professionals in charge of this process and (c) whether it is informed by consultation with potentially affected rights holders and other relevant stakeholders.

- 1.3.2.3. As part of its assessment, the operating company shall document, at minimum:
- a. The assessment methodology;
 - b. The current human rights context in the country and mining project area;
 - c. Relevant human rights laws and norms;
 - d. A comprehensive list of the human rights risks related to mining project activities and business relationships, and an evaluation of the potential severity of impacts for each identified human rights risk;
 - e. The identification of rights holders, an analysis of the potential differential risks to and

The evidence reviewed includes a procedure for human rights assessment (Human Rights Infringement Risk Assessment Procedure, December 2021), a risk matrix for potential human rights risks with a focus on workers (Human Rights Infringement Risk Assessment Matrix, December 2021), a letter from the company's CEO to the UN (March 16, 2020), as well as interviews with a sample of stakeholders and key staff, including workers, and indicates that the company has considered:

- a. a. Assessment methodology as it pertains to the operation;
- b. b. The current human rights context in the country and mining project area;
- c. c. Relevant human rights laws and norms; and
- d. d. A list of the potential human rights risks related to mining project activities and business relationships, and an evaluation of the potential severity for each.

The documentation in the Assessment of Potential Human Rights Impacts is incomplete with regards to (b), (c), (d), (e), and (f) because

<p>impacts on rights holder groups (e.g., women, men, children, the elderly, persons with disabilities, Indigenous peoples, ethnic or religious minority groups, and other disadvantaged or vulnerable groups), and a disaggregation of results by rights holder group;</p> <p>f. Recommendations for preventing, mitigating and remediating identified risks and impacts, giving priority to the most salient human rights issues.</p>		<p>it does not include information related to stakeholders (e.g. neighbors, communities, Indigenous Peoples) besides workers.</p>
<p>1.3.2.4. At minimum, stakeholders and rights holders who participated in the assessment process shall have the opportunity to review draft key issues and findings that are relevant to them and shall be consulted to provide feedback on those findings.</p>	<p>⊗</p>	<p>The evidence reviewed includes Human Rights Policy Assistance Register, Human Rights Policy Socialization Tip 68 DE&I, and Human Rights Policy Socialization Tip 69 DE&I (2019-2021), and indicates that the company has shared their human rights policies and assessment with employees including migrant workers. Workers had an opportunity to review draft key issues and findings that are relevant to them. The evidence does not include consultation or review by other stakeholders.</p>
<p>1.3.2.5. The operating company shall demonstrate that steps have been taken to effectively integrate assessment findings at the mine site operational level.</p>	<p>●</p>	<p>The evidence reviewed includes a procedure for human rights assessment (Human Rights Infringement Risk Assessment Procedure, December 2021), a risk matrix for potential human rights risks with a focus on workers (Human Rights Infringement Risk Assessment Matrix, December 2021), a resolved grievance related to a human-rights related issue, an impact matrix in the EIA (Chapter 4, Table 6, October 2018), Environmental Aspects and Impacts Identification Matrix (MA-MTZ-001-A06, August 2021), Tasks and Risks related to the community (SF-MTZ-003, February 2022), and interviews with a sample of stakeholders, workers and worker representatives. The evidence indicates that the operating</p>

company has taken steps to effectively integrate the findings of the assessment into the mine site operational procedures.

1.3.3.1. Mining project stakeholders shall have access to and be informed about a rights-compatible grievance mechanism and other mechanisms through which they can raise concerns and seek recourse for grievances related to human rights.

The evidence reviewed includes

- Procedure on Interactions with interested Parties (SG-PRC-007, version 9, October 2021),
- an e-mail (January 2022)
- Procedure on Complaints and Concerns of the communities (SG-PRC-007-A01, January 2022) and
- information request form (SG-PRC-007-F02, October 2021),
- a sample of roundtable meeting minutes with stakeholder (Bitácora del Diálogo, March, July, August, October, and November 2021, as well as
- interviews with a sample of stakeholders and key staff

and indicates that the company has a process in which stakeholders can file a grievance to seek resolution or remedy, and this is communicated with regularity at community meetings, and in person-to-person meetings. There is evidence of stakeholders' meetings with company staff for which access to complaints and grievances was presented (e.g., a record of WhatsApp communication and personal meetings including one on October 17, 2022, where complaints were transmitted for subsequent follow-up and attention).

The Code of Ethics (2019) offers a means for workers to file a grievance through a toll-free line.

Interviews with community stakeholders indicate a mix in awareness relating to the company's complaints and grievance process and how to use it, from no awareness to moderate and full awareness. Interviews with employees indicated knowledge of the internal grievance procedure, this view was not shared by most contractors interviewed.

1.3.3.2. Responding to human rights risks related to the mining project:

- a. If the operating company determines that it is at risk of causing adverse human rights impacts through its mining-related activities, it shall prioritize preventing impacts from occurring, and if this is not possible, design strategies to mitigate the human rights risks. Mitigation plans shall be developed in consultation with potentially affected rights holder(s).
- b. If the operating company determines that it is at risk of contributing to adverse human rights impacts through its mining-related activities, it shall take action to prevent or mitigate its contribution and use its leverage to influence other contributing parties to prevent or mitigate their contributions to the human rights risks.
- c. If the operating company determines that it is at risk of being linked to adverse human rights impacts through its business relationships, it shall use its leverage to influence responsible parties to prevent or mitigate their risks to human rights from their activities.

The evidence reviewed includes

- a Summary of Potential Impacts and Barriers (no date) that identifies potential human right risks inherent to contractual relationships, and
- a Human Rights Infringement Risk Assessment Matrix (December 2021) which presents potential risks focused on workers,

and indicates the company has identified risks excluding a full assessment of risks to stakeholders (refer to 1.3.2.3). The company has a Human Rights Infringement Risk Assessment Procedure (December 2021) to mitigate potential risks, as well as a system for tracking.

An isolated circumstance of a potential human rights risk in the workplace is represented in the evidence in which the company took timely and robust action to investigate, remedy, and prevent re-occurrence as in (a) – (c).

Interviews with stakeholders, workers, among them contractors and key staff, and a review of the grievances and incidents (2021 and 2022) do not provide evidence human rights risks are a concern to workers or the body of stakeholders interviewed.

1.3.3.3. **Critical.** Responding to actual human rights impacts related to the mining project:

- a. If the operating company determines that it has caused an actual human rights impact, the company shall:
 - i. Cease or change the activity responsible for the impact; and
 - ii. In a timely manner, develop mitigation strategies and remediation in collaboration with affected rights holders. If mutually acceptable remedies cannot be found through dialogue, the operating company shall attempt to reach agreement through an independent, third-party mediator or another means mutually acceptable to affected rights holders;
- b. If the operating company determines that it has contributed to an actual human rights impact, the company shall cease or change any activities that are contributing to the impact, mitigate and remediate impacts to the extent of its contribution, use its leverage to influence other contributing parties to cease or change their activities, and mitigate and remediate the remaining impact;
- c. If the operating company determines that it is linked to an actual human rights impact through a business relationship the company

The evidence reviewed includes a description of an isolated, potential human rights event, including timely investigation and remedy in collaboration with the affected, and indicates that when an actual human rights impact related to the mining project occurs, the company is equipped to respond quickly and fully with an investigation to identify root causes and remedies respecting potential victims' wishes and rights, and putting in place strategies to prevent any reoccurrence as in (a) to (d).

In this instance, it included cooperation with other legitimate processes (for the victim), and reassessment, consultation and training (to emphasize company policies and values) across the organization. This is confirmed through interviews with a sample of key staff and workers, including contractors, in various positions, levels, and years with the company.

<p>shall use its leverage to prevent or mitigate the impact from continuing or recurring; and</p> <p>d. The operating company shall cooperate with other legitimate processes such as judicial or State-based investigations or proceedings related to human rights impacts that the operating company caused, contributed to, or was directly linked to through its business relationships.</p>		
<p>1.3.4.1. The operating company shall monitor whether salient adverse human rights risks and impacts are being effectively addressed. Monitoring shall include qualitative and quantitative indicators, and draw on feedback from internal and external sources, including affected rights holders.</p>	<p>⊕</p>	<p>The evidence reviewed includes a procedure for human rights (Human Rights Infringement Risk Assessment Procedure, December 2021), a worker-focused potential human rights risk assessment matrix (Human Rights Infringement Risk Assessment Matrix, December 2021), and indicates that the company has qualitative procedures to monitor human rights risks and impacts.</p> <p>The monitoring does not include quantitative indicators or a process to include feedback from internal and external sources, including affected rights holders.</p>
<p>1.3.4.2. External monitoring of an operating company's human rights due diligence shall occur if the company's due diligence efforts repeatedly fail to prevent, mitigate or remediate actual human rights impacts; or if its due diligence activities failed to prevent the company from unknowingly or unintentionally causing, contributing to or being linked to any serious human rights abuse. Additionally:</p>	<p>—</p>	<p>Not relevant. There is no evidence indicating that the company's due diligence efforts repeatedly fail to prevent, mitigate, or remediate actual human rights impacts, or that its due diligence activities failed to prevent the company from unknowingly or unintentionally causing, contributing to, or being linked to any serious human rights abuse. Therefore, no external monitoring of human rights due diligence has been initiated.</p>

The company shall fund the external monitoring; and

The form of such monitoring, and selection of external monitors, shall be determined in collaboration with affected rights holders.

1.3.5.1. The operating company or its corporate owner shall periodically report publicly on the effectiveness of its human rights due diligence activities. At minimum, reporting shall include the methods used to determine the salient human rights issues, a list of salient risks and impacts that were identified, and actions taken by the operating company to prevent, mitigate and/or remediate the human rights risks and impacts.



The company annually publishes a company-level sustainability report on its website, which includes a section on human rights. The evidence reviewed includes a Sustainability Report 2022, and indicates that the company reports on actions taken by the operating company to prevent, mitigate and/or remediate the human rights risks and impacts, such as through employee training on human rights and supply chain mapping, and performance metrics related to human rights impacts indicating no occurrences for the year of 2022. The report further indicates that the company has implemented daily monitoring and electronic screening for potential human rights violations across its supply chain and business partners as part of its human rights' due diligence.

The evidence does not include details on the methods used to determine salient human rights risk at its mine and in relevant communities.

1.3.5.2. If relevant, the operating company shall publish a report on external monitoring findings and recommendations to improve the operating company's human rights due diligence, and the operating company shall report to relevant stakeholders and rights holders on its plans to improve its activities as a result of external monitoring recommendations.



Not relevant. As established in 1.3.4.2., external monitoring of the company's human rights due diligence is not necessary.

1.3.5.3. Public reporting referred to in 1.3.5.1 and 1.3.5.2 may exclude information that is politically sensitive, confidential business information, or that may compromise safety or place any individual at risk of further victimization.

Not relevant. As established in 1.3.4.2., external monitoring of the company's human rights due diligence is not necessary.

Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

Basis for rating

1.4.1.1. **Critical.** The operating company shall ensure that stakeholders, including affected community members and rights holders (hereafter referred to collectively as “stakeholders”), have access to an operational-level mechanism that allows them to raise and seek resolution or remedy for the range of complaints and grievances that may occur in relation to the company and its mining-related activities.

The evidence reviewed includes following procedures and forms that establish the process through which stakeholders' complaints and grievances related to the operation are managed:

- a Procedure on Interactions with interested Parties (SG-PRC-007, version 9, October 2021),
- a Procedure on Complaints and Concerns of the communities (SG-PRC-007-A01, January 2022),
- a List of Identified Interested Parties (SG-PRC-007-F01, October 2021)
- two forms on Information Request Form (SG-PRC-007-F02, October 2021) and the Communities Complaints and Concerns Form (SG-PRC-007-F03, January 2022),

as well as examples of stakeholders' meetings with company staff for which access to complaints and grievances was presented (e.g., a record of WhatsApp communication and personal meetings including one on October 17, 2022, where complaints were transmitted for subsequent follow-up and attention).

A sample of interviewees from nearby communities and neighborhoods indicated knowledge of the company's grievance process, including a general understanding of how to file a

grievance, that either take place verbally in dialogue spaces hosted by the company or anonymously. Some individuals interviewed were not aware of how to reach the company to file a grievance anonymously.

- 1.4.2.1. The operating company shall consult with stakeholders on the design of culturally appropriate complaints and grievance procedures that address, at minimum:
- a. The effectiveness criteria outlined in Principle 31 of the United Nations Guiding Principles on Business and Human Rights, which include the need for the mechanism to be: (a) Legitimate, (b) Accessible, (c) Predictable, (d) Equitable, (e) Transparent, (f) Rights-compatible, (g) A source of continuous learning, and (h) Based on engagement and dialogue;
 - b. How complaints and grievances will be filed, acknowledged, investigated, and resolved, including general timeframes for each phase;
 - c. How confidentiality of a complainant's identity will be respected, if requested;
 - d. The ability to file anonymous complaints, if deemed necessary by stakeholders;
 - e. The provision of assistance for those who may face barriers to using the operational-level grievance mechanism, including women,

The evidence reviewed includes a Procedure on Complaints and Concerns of the Communities (SG-PRC-007-A01 January 2022), a Communities Complaints and Concerns Form (SG-PRC-007-F03 January 2022), an Information Request Form (SG-PRC-007-F02, October 2021), a Procedure for Interaction with Interested Parties (SG-PRC-007, May 2022), a List of Identified Interested Parties (SG-PRC-007-F01, October 2021), and the company's Code of Ethics and Business Conduct (October 2019), as well as interviews with a sample of stakeholders, among them women, older persons and other vulnerable groups, and key staff, and indicates the company has established effective procedures and systems for isolated populations in the area around the mine to raise and seek remedy to concerns and complaints. The procedures address:

- a. effectiveness criteria for the complaints and grievance mechanism,
- b. the handling of complaints and grievances,
- c. how confidentiality of a complainant's identity is handled, if requested,
- d. provisions made to allow for anonymous complaints and grievances,
- e. provisions of assistance for those who may face barriers to using the operational-level grievance mechanism,
- f. not prohibit aggrieved parties to waive their right to seek recourse from the company for the same complaint through other available mechanisms, and
- g. how complaints and grievances are filed and tracked.

- children, and marginalized or vulnerable groups;
- f. Options for recourse if an initial process does not result in satisfactory resolution or if the mechanism is inadequate or inappropriate for handling serious human rights grievances; and
- g. How complaints and grievances and their resolutions will be tracked and recorded.

According to observations and interviews during the site visit, complaints, which can be filed in person, through electronic or paper forms made available by the company during in-person visits, in the company office in Antofagasta de la Sierra, through community-appointed representatives, at community meetings, at the Fenix Plant, or other channels (i.e., a phone hotline, email, WhatsApp, <https://livent.ethicspoint.com>), with assistance, if needed (i.e., for typing), are tracked by type as presented in the evidence (Status – All Livent Cases, and Status – 2021 Livent Cases).

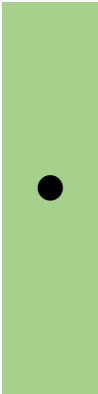
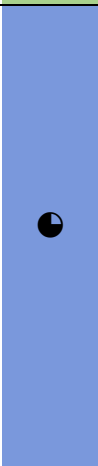

Auditor review included a sample of seven (7) complaints and concerns forms, of which five (5) include communication between the company and the complainant, as well as follow-up conversations and outcomes. The remaining two (2) of the cases were requested to be handled confidentially and the company respected these requests, indicating the program is working as intended.

The evidence does not include the details to confirm stakeholders were consulted in the specific design of the grievance process, and this is confirmed in interviews.

- 1.4.2.2. The operating company shall ensure that all complaints and grievance procedures are documented and made publicly available.

The evidence reviewed includes the Code of Ethics and Business Conduct (October 2019), Supplier Code of Conduct (2019), Human Rights Policy (2019), and Sexual Harassment Prevention Policy (2019), as well as the Community Grievance and Concerns Form (SG-PRC-007-A01, January 2022), and training records from 2021, and indicates that general complaints and grievance procedures are documented and made publicly available through different channels (online: <https://livent.ethicspoint.com>, a phone hotline, and paper forms available at the office or as distributed at roundtable meetings with the communities).

During the interviews, employees and contractors confirmed to be aware of these procedures and documented records of complaints, grievances, and follow-up actions.

<p>1.4.3.1. No remedy provided by an operational-level grievance mechanism shall require aggrieved parties to waive their right to seek recourse from the company for the same complaint through other available mechanisms, including administrative, non-judicial or judicial remedies.</p>		<p>As indicated in 1.4.2.1 (a) subsection (f) and related evidence (i.e., Interactions with Stakeholders, Procedure on Complaints and Concerns of the communities (SG-PRC-007-A01, January 2022), meeting minutes and interviews) the company's operational-level grievance mechanism does not prohibit aggrieved parties to waive their right to seek recourse from the company for the same complaint through other available mechanisms.</p> <p>Interviews with company staff indicate that aggrieved parties can also present a subsequent complaint in case they disagree with the initial results.</p>
<p>1.4.4.1. Complaints and grievances and their outcomes and remedies shall be documented.</p>		<p>The evidence reviewed includes Investigations Case Report Template (no date), Donation Request Form (RC-PRC-001, December 2021), and Community Grievance and Concerns Form (SG-PRC-007-A01, January 2022), and interviews with key company staff in which auditors reviewed recorded grievances (2022), and indicate that the company has established and maintains a process to document, track and address complaints and grievances.</p> <p>Written stakeholder feedback forwarded to auditors (December 2022) implies the presence of unresolved complaints and grievances. However, this feedback provided to auditors was not delivered to the company or with relevant details, allowing auditors to verify alignment with this requirement.</p>
<p>1.4.4.2. The operating company shall monitor and evaluate the performance of the operational-level complaints and grievance mechanism over time to determine:</p> <ul style="list-style-type: none"> a. If changes need to be made to improve its effectiveness as per 1.4.2.1.a; b. If changes in company activities can be implemented to prevent or 		<p>The evidence reviewed includes an internal presentation of the company's Corporate Responsibility Committee (April 2022), which includes a summary of ethics complaints received, investigated, and resolved, and the grievance investigation flowchart, indicating that the company generally reviews complaints and grievances at a higher level. The evidence, a Procedure on Complaints and Concerns of the Communities (SG-PRC-007-A01, January 2022, Clause 2.3.8.), and indicates that the company intends to monitor and document any proposed solutions and whether the solution effectively solves the grievance. A sample of meeting minutes from</p>

- mitigate similar grievances in the future; and
- c. If outcomes and remedies provided through the mechanism accord with internationally recognized human rights.

the roundtable between the company, governmental authorities, community representatives, and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021) indicates that the meetings provide an open space for community stakeholders to raise, discuss and receive answers to complaints and grievances and indicates that the company effectively remedies issues brought forth by the community.

The evidence does not provide details to confirm whether the company specifically monitors and evaluates the performance of its operational-level complaints and grievance mechanism over time to determine whether adjustments need to be made to improve its effectiveness, whether the company can prevent or mitigate any similar grievances in the future, and whether the outcomes of grievance results align with human rights.

- 1.4.4.3. Stakeholders shall be provided with clearly communicated opportunities to submit feedback on the performance of the complaints and grievance mechanism.

The evidence reviewed includes a procedure on community complaints and concerns (SG-PRC-007-A01, January 2022, Clause 2.3.8.), a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders where complaints and grievances are raised and discussed (Bitácora del Diálogo, March, July, August, October, and November 2021), and an example for which one stakeholder provided feedback on the grievance process (Case 62, follow up, 2021), and indicates the company offers stakeholders an opportunity to submit feedback on the performance of its grievance mechanism.




Interviews with a sample of stakeholders indicate a mix in awareness relating to the company's complaints and grievance process and how to use it, from no awareness, to moderate and full awareness. Interviewees did not comment specifically on their ability to provide feedback relating to this item, but no outstanding grievances or delays in processing were noted at the time of the onsite audit.

1.4.5.1. The operating company shall take reasonable steps to inform all stakeholders of the existence of the operational-level complaints and grievance mechanism, its scope, and its procedures.

The evidence reviewed includes an e-mail sent to all employees (Code of Ethics and Business Conduct - Anti-Corruption Policy.msg, April 2022) reminding them of how to file grievances related to violations of the code of ethics and business conduct and that there shall be no retaliation against those that report in good faith, and a sample of pictures taken from around the site indicating that there are posters posted that include the contact information for the company's ethic's department, and indicates that the operating company took reasonable steps to inform internal stakeholders of the existence of the operational-level complaints and grievance mechanism, its scope, and its procedures. The evidence reviewed also includes training slides (Training - Behavior - Sexual Harassment Prevention, no date) provided to contractors on sexual harassment and the different channels to file a grievance, the process of the grievance mechanism and contact information for the company's ethics department. Site induction training slides include a brief summary of how to use the grievance mechanism as well in relation to sexual harassment (page 68). A sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021) indicates that before each meeting commences the company explains that the meeting is an open space for community stakeholders to raise, discuss and receive answers to complaints and grievances.

Interviews with a sample of stakeholders indicate a mix of awareness relating to the company's complaints and grievance process and how to use it, from no awareness to moderate and full awareness. Some individuals interviewed were not aware of how to reach the company to file a grievance anonymously.

The evidence does not include details to confirm that the company has taken steps to inform stakeholders on how to file complaints and grievances anonymously.

<p>1.4.5.2. The operating company shall neither state nor imply that participation in an operational level grievance mechanism precludes the stakeholder from seeking redress through administrative, judicial or other non-judicial remedies.</p>		<p>The evidence reviewed includes Procedure on Complaints and Concerns of the communities (SG-PRC-007-A01, January 2022), and interviews with stakeholders, workers and company staff, and indicate the company does not imply or state stakeholders are precluded from seeking redress through other administrative, non-judicial or judicial remedies.</p>
<p>1.4.5.3. The operating company shall inform relevant personnel who interact with stakeholders of the proper procedures for handling stakeholder complaints and grievances and ensure that personnel directly involved in the operational-level mechanism receive instruction on the respectful handling of all complaints and grievances, including those that may appear frivolous.</p>		<p>The evidence reviewed includes a meeting summary (2022), and indicates that training on the complaints and grievance procedure was conducted in the presence of 3 company staff members. Communication on the grievance procedure, implementation, and use (i.e., forms), was also provided via e-mails to company staff.</p> <p>The evidence does not provide details to confirm that all employees are trained in the proper procedures for handling stakeholder complaints and grievances, such as security personnel or contractors who interact with stakeholders (i.e., truck drivers).</p>
<p>1.4.6.1. Periodically, the operating company shall report to stakeholders on grievances received and responses provided. This shall be done in a manner that protects the confidentiality and safety of those filing grievances.</p>		<p>The evidence reviewed includes a procedure for filing complaints (SG-PRC-007-A01 January 2022) and logs of complaints for seven (7) grievances that document filed grievances of employees and contractors, and indicate that the company reports to stakeholders who have initiated or filed a grievance claim. Five (5) of these logs include communication between the company and aggrieved party on the receipt of the complaint, follow-up conversations and outcomes of the investigation, and two (2) examples of the company handling grievances in a manner that protects the confidentiality and safety of those filing grievances. Information is aggregated by incident or grievance type allowing for sharing (by percent) in a way that protects confidentiality.</p> <p>The evidence, including interviews with stakeholders, workers, and key staff, does not confirm periodic reporting, although there are routine means of doing so such as round table meetings.</p>

Chapter 1.5—Revenue and Payments Transparency

Basis for rating

1.5.1.1. The operating company shall comply with 1.5.1.2 and 1.5.1.3, and/or demonstrate how it complies with equivalent reporting and disclosure requirements of the European Union Accounting Directive (2013/34/EU) and the European Union Transparency Directive (2013/50/EU), or an equivalent mandatory transparency regime. (Note: for the purposes of self-assessment, the respondent should only consider for question 1.5.1.1 whether the EU or an equivalent mandatory transparency regime is relevant (either because a company is legally required to comply or because the company voluntarily chooses to meet the EU or equivalent country requirements). If EU or an equivalent mandatory transparency regime is not relevant, then the respondent should mark 1.5.1.1 as not relevant and move to 1.5.1.2 below.)

Not relevant. Note, that the parent company of the Fenix Lithium Mine during the IRMA assessment was Livent and therefore the evidence and rationale in this chapter relate to Livent. Livent (now Arcadium Lithium) is a US company listed on the NY Stock Exchange. The evidence, SEC filing, Form 10K February 2023, indicates the company is in compliance with reporting and disclosure requirements of the US such as: FCPA Regulations, Sarbanes-Oxley Act (SOX) Compliance Law and SEC regulations, an internationally accepted, but not equivalent framework to European Union Accounting Directive (2013/34/EU) and the European Union Transparency Directive required by IRMA.

1.5.1.2. On a yearly basis, the operating company shall publish a report that discloses all material payments made by itself and its corporate owner to the government of the country in which the mining project is located. The report shall be made public within 12 months after the end of each financial year.

The company provided a recent SEC filing 10K Form, February 2023, which discloses material payments made to the government of the country in which the mining project is located. These reports are made public within 12 months after the end of each fiscal year and are publicly available on the company's website.

(Note: for the purposes of self-assessment, if 1.5.1.1 is relevant then the respondent should mark both 1.5.1.2 and 1.5.1.3 as not relevant.)

- 1.5.1.3. The types of payment disclosed shall include as a minimum, as applicable:
- a. The host government's production entitlement;
 - b. National state-owned enterprise production entitlement;
 - c. Profits taxes;
 - d. Royalties;
 - e. Dividends;
 - f. Bonuses, such as signature, discovery and production bonuses;
 - g. License fees, rental fees, entry fees and other considerations for licenses and/or concessions;
 - h. Payments for infrastructure improvements; and
 - i. Any other significant payments and material benefits to government, including in kind payments.

The company provided a recent SEC filing 10K Form, February 2023, which discloses overall taxes, royalties, bonuses, licensing fees, and payments. Additionally, the company provided copies of detailed accounting records (Q4 records of 2021- S.E.M. No.52/0.14) that indicate the disclosure of taxes (c), royalties (d), dividends (e), bonuses (f), licensing fees (g), and that a), b), h) and i) are not applicable.

- 1.5.1.4. At minimum, this information shall be broken down by recipient government body (where applicable), by project (where applicable), and by payment type.

The company provided a recent SEC filing 10K Form, February 2023, which discloses overall taxes, royalties, bonuses, and payments. Additionally, the company provided detailed evidence of payments (copies of accounting records, Q4 records of 2021- S.E.M. No.52/0.14), which are broken down by recipient government body and type.

1.5.2.1. The operating company shall demonstrate its compliance with the reporting requirements specified in Chapter 10 of the European Union Directive 2013/34/EU or an equivalent mandatory transparency regime, and/or shall comply with the requirements listed under 1.5.2.2 below.

(Note: for the purposes of self-assessment, the respondent should only answer question 1.5.2.1 if the EU or an equivalent mandatory transparency regime is relevant (either because a company is legally required to comply or because the company voluntarily chooses to meet EU or equivalent country requirements). If question 1.5.2.1 is not relevant, move to 1.5.2.2 below.)

Not relevant. Livent (now Arcadium Lithium) is a US company in compliance with SOX-compliance law and SEC (see answer in 1.5.1.1). While there may be some overlap between the requirements of SOX and SEC filings and Chapter 10 of the EU Directive, they are not equivalent.

1.5.2.2. The operating company shall ensure that the following information at the mining project level is reported on an annual basis and is readily accessible to the public:

- a. Mine production, disaggregated by product type and volume;
- b. Revenues from sales, disaggregated by product type;
- c. Material payments and other material benefits to government as listed in paragraph 1.5.1.3, disaggregated according to the receiving government entity (e.g.

The evidence reviewed includes annual reporting information from Livent (now Arcadium Lithium) including:

- a. Mine production, disaggregated by product type and volume;
- b. Revenues from sales, by product type;
- c. Material payments and other material benefits to government as listed in paragraph 1.5.1.3;
- d. Social expenditures, including the names and functions of beneficiaries; and
- e. Taxes by type.

Sub-requirements (f) and (g) are not applicable.

<p>national, regional, local entity; name of government department);</p> <p>d. Social expenditures, including the names and functions of beneficiaries;</p> <p>e. Taxes, tariffs or other relevant payments related to transportation of minerals;</p> <p>f. Payments to politicians' campaigns, political parties or related organizations; and</p> <p>g. Fines or other similar penalties that have been issued in relation to the project.</p>		
<p>1.5.2.3. The operating company shall publish annual accounts, following international accounting standards.</p>	●	<p>The evidence reviewed includes a SEC filing 10K Form for the year 2020, and indicates that it was prepared according to US-GAAP, which are similar to NIIF, generally considered an appropriate international accounting standard.</p>
<p>1.5.3.1. If the mining project is located in a country without a mandated transparency regime, the operating company shall demonstrate support for the EITI by publishing a clear public statement endorsing the EITI Principles on its external website.</p>	—	<p>Not relevant, Argentina has transparency requirements and Livent (now Arcadium Lithium) participates in EITI through CAEM (Argentine Chamber of Mining Entrepreneurs). EITI commitment is publicly available through links to the CAEM website as well as on the EITI Argentina page, and page 87 of the EITI report</p>
<p>1.5.3.2. If the mining project is located in a country without a mandated transparency regime and the EITI is active in that country, the operating company shall:</p>	—	<p>Not relevant; Argentina has transparency requirements and became an EITI implementing country in February 2019, for which Livent (now Arcadium Lithium) is a member. Note, the EITI form is not available on the company's site as required (b).</p>

- a. Commit to engage constructively with and support implementation of the EITI consistent with the multi-stakeholder process adopted in its country of operation; and
- b. Provide links on its external website to completed and up-to-date company Forms for its operation, if the EITI implementing country has completed at least one validation.

- 1.5.4.1. The material terms for mineral exploration, development and production agreed between the operating company and government entities shall be freely and publicly accessible, with the exception of confidential business information, in the national language(s) of the country in which the mining project is located.
- a. Where these terms are negotiated, rather than governed by law, the company shall make the relevant agreements, licenses or contracts freely and publicly accessible.
 - b. Where these terms are governed by law, free, public access to the relevant statutory documentation is deemed sufficient to meet the IRMA requirement.

- 1.5.4.2. The beneficial ownership of the operating company shall be publicly accessible.

The evidence reviewed includes agreements between the government and the company on mineral exploration, development, and production (Ley 4589/91, Ley 4780/94, and Ley5531/97) and are freely and publicly accessible on the internet.

The evidence reviewed indicates that the beneficial ownership of the company is publicly available in English on the Livent (now Arcadium Lithium) website for >10% stock ownership.

1.5.5.1. **Critical.** The operating company shall develop, document and implement policies and procedures that prohibit bribery and other forms of corruption by employees and contractors.

The evidence reviewed includes corporate policies, and interviews with a sample of workers, among them contractors, suppliers, and key staff, and indicates the company has developed, documented, and implemented policies and procedures that prohibit bribery and other forms of corruption by employees and contractors. These include:

- Code of Ethics and Business Conduct Corporate and
- Policy on Foreign Corrupt Practices (Foreign Corrupt Practices Act, October 2020).

The documents are available online in English, Spanish, and Chinese.

Interviewees report undergoing ethics training regularly and indicate policy values and compliance are emphasized regularly.

1.5.5.2. Procedures shall include:
a. A requirement to internally report and record any undue pecuniary or other advantage given to, or received from, public officials or the employees of business partners, directly or through third parties; and
b. Disciplinary actions to be taken if cases of bribery or corruption are discovered.

The evidence reviewed includes the company's Code of Ethics and Business Conduct (2019) and a Policy on Foreign Corrupt Practices (Foreign Corrupt Practices Act, October 2020), including the terms indicated in letters (a) and (b), as listed in the evidence.

1.5.5.3. Relevant employees and contractors shall be trained in the application of the operating company's policy and procedures.

The evidence reviewed includes a sample of employee training records (2021) and a sample of e-mails sent to all employees on the company's policies and procedures (2021), and indicates that the company trains employees and contractors in the company's policies and procedures and maintains associated records through its online platform (SAI Global). This is supported by interviews with workers including contractors.

Principle 2: Planning for Positive Legacies

RATING LEGEND
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant
	Not scored
	Pending

Chapter 2.1—Environmental and Social Impact Assessment and Management

Basis for rating

Note on Chapter 2.1 from IRMA Secretariat:

In November 2024, the IRMA Board approved changes in the way Chapter 2.1 was to be audited for existing mines, and this change is reflected in IRMA's Guidance Document. This change shows where expectations are different for new versus existing mines. Existing mines are only required to meet a core set of requirements related to assessment of environmental and social risks (called CORE requirements), although existing mines have the option to be audited against the new mine requirements. If they have opted to do so, that will be reflected in the Basis for rating column. Existing mines are still required to have in place an environmental and social management system. The Fenix Lithium Mine is an existing mine, having begun production in 1997. For more information, refer to the IRMA Guidance Note on Chapter 2.1: <https://responsiblemining.net/resources/#full-documentation-and-guidance>.

2.1.1.1	An Environmental and Social Impact Assessment (ESIA), appropriate to the nature and scale of the proposed	—	Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.
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	mining project and commensurate with the level of its environmental and social risks and impacts, shall be completed prior to the commencement of any site-disturbing operations associated with the project.		
2.1.1.2.	To enable a reasonable estimation of potential impacts related to the mining project, the ESIA process shall commence only after the project design has been sufficiently developed. Should the proposal be significantly revised a new assessment process shall be undertaken.	—	Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.
2.1.1.3.	The ESIA shall be carried out in accordance with publicly available, documented procedures.	—	Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.
2.1.2.1.	Prior to the implementation of the ESIA process the operating company shall ensure that there has been wide, public announcement of the project proposal and the associated ESIA process, and that reasonable and culturally appropriate efforts have been made to inform potentially affected and interested stakeholders in potentially affected communities about the proposed project.	—	Not relevant because is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.

- 2.1.2.2. Prior to the implementation of the ESIA process the operating company shall prepare a report and publish it on the operating company's external website, in the official national language(s) of the country in which the mining project is proposed to take place. The report shall provide:
- a. A general description of the proposed project, including details on the proposed location, and nature and duration of the project and related activities;
 - b. The preliminary identification of potential significant environmental and social impacts, and proposed actions to mitigate any negative impacts;
 - c. A description of the main steps of the ESIA process that will be carried out, the estimated timeline and the range of opportunities for stakeholder participation in the process; and
 - d. Contact details for the person or team responsible for management of the ESIA.

Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.

- 2.1.3.1. **Critical.** (New Mines) The operating company shall carry out a scoping process to identify all potentially significant social and environmental impacts of the mining project to be assessed in the ESIA.

Fenix is an existing mine. The evidence reviewed includes the company's EIA for the mine's expansion of its operation and production capacity (October 2018) and annual environmental impact and risk matrix review for 2020 and 2021. The assessments consider impacts on the environment including water, air, landscape, flora and fauna, and social impacts including quality of life, health, services, infrastructure, and heritage, for each

		<p>Critical. (Existing Mines) The operating company shall demonstrate that it has undertaken a comprehensive evaluation of potential environmental and social impacts associated with the mining operation.</p> <p>operational phase of the mine (EIA, October 2018, Chapter 4), and this work is ongoing.</p> <p>Note: auditor review of the company's evaluation of potential environmental and social impacts related to the construction of the Los Patos aqueduct is outside the scope of this audit.</p>
<p>2.1.3.2. During scoping, the operating company shall identify stakeholders and rights holders (hereafter, collectively referred to as "stakeholders") who may be interested in and/or affected by the proposed project.</p>	<p>—</p>	<p>Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.</p>
<p>2.1.3.3. Scoping shall include the consideration of:</p> <ul style="list-style-type: none"> a. Social impacts (including potential impacts on communities and workers) and environmental impacts (including potential impacts on wildlife, air, water, vegetation and soils) during all stages of the project lifecycle, from pre-construction through post-closure; b. Direct, indirect and cumulative impacts; and c. Potential impacts of extreme events. 	<p>—</p>	<p>Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.</p>
<p>2.1.3.4. Scoping shall result in the identification of:</p> <ul style="list-style-type: none"> a. Potentially significant environmental and social impacts of the proposed project; 	<p>—</p>	<p>Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.</p>

	<ul style="list-style-type: none"> b. Alternative project designs to avoid significant adverse impacts; c. Other actions to mitigate identified adverse impacts; and d. Additional information and data needed to understand and assess the potential impacts. 		
2.1.4.1.	Baseline data describing the prevailing environmental, social, economic and political environment shall be collected at an appropriate level of detail to allow the assessment of the potential impacts of the proposed mining project.	—	Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.
2.1.4.2.	Additional studies shall be carried out as necessary to fulfill the information needs of the ESIA.	—	Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.
2.1.5.1	<p>The operating company shall:</p> <ul style="list-style-type: none"> a. Predict in greater detail the characteristics of the potentially significant environmental and social impacts identified during scoping; b. Determine the significance of the predicted impacts; c. Evaluate options to mitigate predicted significant adverse impacts in line with the mitigation hierarchy, prioritizing the avoidance of impacts through consideration of alternative project designs; and 	—	Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.

- d. Determine the relative importance of residual impacts (i.e., impacts that cannot be mitigated) and whether significant residual adverse impacts can be addressed to the satisfaction of affected or relevant stakeholders.

- 2.1.6.1. The operating company shall prepare an ESIA report that includes, at minimum:
- a. A description of the proposed mining project;
 - b. Detailed description of the direct, indirect and cumulative impacts likely to result from the project, and identification of significant adverse impacts;
 - c. Description of the alternatives considered to avoid and mitigate significant adverse impacts in line with the mitigation hierarchy, and the recommended measures to avoid or mitigate those impacts
 - d. A review of the public consultation process, the views and concerns expressed by stakeholders and how the concerns were taken into account; and
 - e. Names and affiliations of ESIA authors and others involved in technical studies.

Not relevant because this is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.

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- 2.1.7.1. The operating company shall develop and maintain a system to manage

The company has developed an environmental and social management system (ESMS) that includes environmental control

environmental and social risks and impacts throughout the life of the mine.

plans on thirteen (13) different subjects, procedures, including standard operating procedures, and company standards.

Environmental control plans are those plans that were developed due to a regulatory requirement. Most of the plans were updated between 2014 and 2018, replacing versions from 2010. The environmental control plans discuss subjects related to archeology, social aspects, water quality, brine flows, domestic and industrial wastewater, air quality and emissions, fauna, meteorology, piezometers and flows, solid waste, hazardous materials, and social action.

The procedures and standards complement the environmental control plans and are dated from 2005 up to 2021, except for one dated 2002 related to chemical spills.

The procedures discuss subjects such as health and safety, lithium carbonate (LiCa) plant and selective adsorption plant, solid waste (labels, disposal sites, contractor handling, transportation contingency plan), wastewater (domestic and industrial), environmental monitoring, identification of environmental aspects, environmental standards for process plants (selective adsorption, sorbent, LiCa, and auxiliary services), chemical spills, water and brine sampling, risk assessment for chemical distribution, goals and targets, and document control and management.

Maintenance of the environmental and social management system is indicated by the company's ongoing review of control plans and procedures.




Interviews with a sample of key staff indicate awareness of their respective roles and responsibilities related to the ESMS.

- 2.1.7.2 An environmental and social management plan (or its equivalent) shall be developed that, at minimum:
- a. Outlines the specific mitigation actions that will be carried out to

Management plans for environmental and social impacts that were developed between 2014 and 2018, do:

- Outline the specific mitigation actions that will be carried out to address significant environmental and social impacts identified during and subsequent to the ESIA process;

<p>address significant environmental and social impacts identified during and subsequent to the ESIA process;</p> <p>b. Assigns personnel responsible for implementation of various elements of the plan; and</p> <p>c. Includes estimates for the resources needed to implement the plan.</p>	<ul style="list-style-type: none"> • Assign personnel responsible for implementation of various elements of the plan; and • Include estimates for the resources needed to implement the plan.
<p>2.1.7.3. The environmental and social management plan shall be implemented and revised or updated as necessary based on monitoring results or other information.</p>	<p>However, the update to the social management plan (October 2021), does not assign personnel responsible for implementation of various elements of the plan nor does it include estimates for the resources needed to implement the updated plan.</p>
<p>2.1.8.1. As part of the ESMS, the operating company shall establish a program to monitor:</p> <p>a. The significant environmental and social impacts identified during or after the ESIA process; and</p> <p>b. The effectiveness of mitigation measures implemented to address environmental and social impacts.</p>	<p>Environmental control plans were updated between 2014-2018 and replaced older versions dated 2010. The social control plan was last updated in October 2021. The evidence reviewed (including a sample of reports from 2020 and 2021 for each of the environmental control plans and for the social control plan) indicates that the plans are implemented, and the activities conducted for each specific plan are reported to the regulatory agency biannually. The evidence includes a sample of procedures (2002 - 2021) related to the control plans and activity reports for each procedure that are submitted to the regulatory agency biannually and indicate that these procedures are implemented.</p> <p>The environmental and social control plans (2014- 2021) include monitoring of groundwater quality and levels, water supply, Salar del Hombre Muerto hydrogeological system, domestic and industrial wastewater, emissions and air quality, fauna at the Trapiche Creek, and social license.</p> <p>The evidence (a sample of reports on the environmental and social control plans from 2020 and 2021), include the collected monitoring data which is used to analyze the effectiveness of mitigation measures (e.g., the performance of the environmental control equipment.)</p>

<p>2.1.8.2. The monitoring program shall be designed and carried out by competent professionals.</p>		<p>The evidence reviewed in the Environmental Impact Report (October 2018) demonstrates that the monitoring program was designed by a multidisciplinary team of professionals, including a sociologist, archaeologist, geologist, civil engineer, and specialists in natural resources. The company has also provided a list of staff responsible for each component of the monitoring program, along with their credentials, which document their formal training and experience.</p> <p>However, the evidence does not include specific information confirming the competencies of these professionals in designing monitoring programs for each specific area, such as social elements and biodiversity. This gap in documentation is why the client is rated as “substantially meets the requirement” rather than fully meeting it.</p>
<p>2.1.8.3. If requested by relevant stakeholders, the operating company shall facilitate the independent monitoring of key impact indicators where this would not interfere with the safe operation of the project.</p>		<p>The evidence reviewed includes the Ministry of Mine’s records of participatory monitoring carried out in April and July 2021, and does not indicate that stakeholders have specifically requested the company to facilitate independent monitoring of key impact indicators.</p> <p>However, independent monitoring of key impact indicators is conducted. For example, participatory water quality monitoring is organized by the Ministry of Mines. Each quarter, both the ministry and the company collect water samples and compare the results with historical data.</p> <p>The Ministry of Mines and the Geologist Association offer training and assistance to communities wishing to participate. This is confirmed through observations and interviews with a sample of key staff, government representatives, and stakeholders during the onsite audit.</p>
<p>2.1.9.1. (New Mines) As part of the ESIA process, the operating company shall provide for timely and effective stakeholder and</p>		<p>According to interviews with a sample of people in the area around the mine, the company provides timely and culturally appropriate</p>

rights holder (hereafter collectively referred to as stakeholder) consultation, review and comment on:

- a. The issues and impacts to be considered in the proposed scope of the ESIA (see 2.1.3);
- b. Methodologies for the collection of environmental and social baseline data (see 2.1.4);
- c. The findings of environmental and social studies relevant to the conclusions and recommendations of the ESIA (see 2.1.5.1.a and b);
- d. Options and proposals to mitigate the potential impacts of the project (see 2.1.5.1.c);
- e. Provisional conclusions and recommendations of the ESIA, prior to finalization (see 2.1.6.1); and
- f. The final conclusions and recommendations of the ESIA (see 2.1.6.1).

(Existing Mines) The operating company shall consult with relevant stakeholders in the identification and evaluation of potential environmental and social impacts associated with the mine.

ways for stakeholders to be consulted about the latest stages of operation.

This is confirmed by evidence reviewed including meeting minutes and inputs from a public hearing for the Trapiche Wetland restoration (2022) and, participatory water sampling (2021-2022). Since 2018, government consultations have also evolved to include stakeholder review and comment on draft ESIA documents.

While some stakeholders expressed dissatisfaction with the mine's environmental impact assessment, the overall evidence supports that the company has actively engaged stakeholders in identifying and evaluating potential environmental and social impacts.

2.1.9.2. (New Mines) The operating company shall encourage and facilitate stakeholder participation, where possible, in the collection of data for the ESIA, and in the development of options

The evidence reviewed includes:

- a. Meeting minutes from the roundtable between the company, governmental authorities, community representatives and

to mitigate the potential impacts of the project during and subsequent to the ESIA process.

(Existing Mines) The operating company shall encourage and facilitate stakeholder participation, where possible, in the development of options to mitigate the potential impacts of the mine.

stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021) and

- b. interviews with stakeholders, government officials and company staff,

and indicates the company encourages and facilitates stakeholder participation in the development of options to mitigate potential impacts of the mine. Specifically, stakeholders have been involved in discussions on topics such as irrigation, revegetation, changes in road alignment, and the suspension of pond construction.

A letter from one stakeholder group received by the audit team (December 2022) indicates that they are not satisfied with the most recent environmental impact assessment of Fenix expansion projects (2018-2020) in terms of mitigating potential risks. Additional participation of this stakeholder group during the surveillance audit will be important to fully assess this requirement. However, this stakeholder has declined to participate in the company's stakeholder engagement processes.

- 2.1.9.3. The operating company shall provide for timely and effective stakeholder consultation, review and comment on the scope and design of the environmental and social monitoring program.

The evidence reviewed includes

- a. environmental and social impact assessments for Fenix-related projects (2018-2022),
- b. minutes of management and technical round tables coordinated by the company to consult with potentially affected people (2017-2018), in which social and environmental aspects are discussed,
- c. notification of a 30-day public consultations held by the Catamarca Ministry of Mining during July-August, 2022 (<https://mineriasustentable.com.ar/contenido/3778/mineria-inicio-la-consulta-y-audiencia-publica-del-informe-de-impacto-ambiental->),
- d. the commitments made by the company following comments received in the public hearing (Commitments from the Public Hearing between Livent and the Community, August 2022)

		<p>relating to monitoring program participation and design (Trapiche Wetland restoration), and</p> <p>interviews with key staff, government officials, and community members, and indicate that the company provides opportunities for stakeholder consultation, review, or comment on the scope or design of the environmental monitoring program referenced above, and this is ongoing.</p> <p>The evidence does not include examples of how the company invites stakeholder consultation on the design of its social monitoring program.</p>
<p>2.1.9.4. The operating company shall encourage and facilitate stakeholder participation, where possible, in the implementation of the environmental and social monitoring program.</p>	<p>●</p>	<p>The evidence reviewed includes:</p> <ol style="list-style-type: none"> documents (i.e., meeting records), in which social and environmental aspects were discussed; lists of participants and photos of two events (April and July 2021) where participatory water monitoring (surface water and ground water) occurred with personnel from regulatory agencies and some community representatives, and that the programming includes training, and; interviews with key staff, government officials, and community members, and <p>and indicates the company has encouraged and facilitated stakeholder participation, where possible, in environmental monitoring program implementation including monitoring of groundwater and biodiversity, and this work is ongoing.</p> <p>The evidence does not include details of how the company invites stakeholder participation in air quality or in social monitoring program implementation, where possible.</p>
<p>2.1.9.5. (New Mines) The operating company shall record all stakeholder comments received in relation to ESIA scoping; implementation; ESIA findings,</p>	<p>●</p>	<p>Fenix is an existing mine. The evidence reviewed includes the company's records, such as an attendance list and the Ministry of Mine's records of participatory monitoring carried out in April and July 2021. The Ministry of Mines of Catamarca keeps records of</p>

<p>conclusions and recommendations; and the environmental and social monitoring program. The company shall record how it responded to stakeholder comments.</p>		<p>scoping and participatory monitoring comments and suggestions made by stakeholders. These are available to the company. The company's responses to stakeholder comments are also recorded. In addition, the company keeps track of stakeholder comments and responses related to all aspects of the mine as presented in the evidence, primarily those obtained through dialogue tables and person-to-person meetings.</p>
<p>(Existing Mines) The operating company shall record all stakeholder comments received in relation to the environmental and social monitoring program. The company shall record how it responded to stakeholder comments.</p>		<p>The documentation provided shows a systematic approach to recording and addressing stakeholder feedback.</p>
<p>2.1.10.1. (New Mines) The ESIA report and any supporting data and analyses shall be made publicly available. Detailed assessments of some issues and impacts may be reported as stand-alone documents, but the ESIA report shall review and present the results of the full analysis in an integrated manner.</p> <p>(Existing Mines) At minimum, a summary of the significant environmental and social impacts and risks associated with the mining operation shall be made public.</p>	<p>●</p>	<p>The evidence reviewed provides the process by which the company updates its impact assessment every 2 years. This is presented to the regulatory agency, where it can be requested by the public. The last update was presented in August 2021.</p> <p>The evidence does not include a public summary of significant environmental and social impacts and risks without the need to make a request to the regulatory agency.</p>
<p>2.1.10.2. The operating company shall make publicly available an anonymized version of the ESIA record of stakeholder comments and its own responses, including how each comment was taken into account.</p>	<p>—</p>	<p>Not Relevant. Fenix is an existing mine that is being scored against IRMA's core ESIA requirements. See Note on Chapter 2.1.</p>

2.1.10.3. The environmental and social management plan shall be made available to stakeholders upon request.

The evidence reviewed includes letters to the regulatory agency (April and May 2022) related to the company's environmental management program, and the company's information request procedure (SG-PRC-007 - Stakeholder interaction v9 January 2022), as well as interviews with a sample of stakeholders, government representatives and key staff, and indicate the company is equipped to fulfill stakeholders' requests through several means, if requested.

There is no evidence that stakeholders have requested the environmental and social management plan.

However, independent monitoring of key impact indicators is conducted. For example, participatory water quality monitoring is organized by the Ministry of Mines. Each quarter, both the ministry and the company collect water samples and compare the results with historical data.

The Ministry of Mines and the Geologist Association offer training and assistance to communities wishing to participate. This is confirmed through observations and interviews with a sample of key staff, government representatives, and stakeholders during the onsite audit.

2.1.10.4. Summary reports of the findings of the environmental and social monitoring program shall be made publicly available at least annually, and all data and methodologies related to the monitoring program shall be publicly available.

The evidence reviewed included meeting minutes summarizing information delivered to regulatory agencies or contained in annual reports and indicates that the company has established systems to share information with stakeholders regularly, including environmental monitoring results. The means of information sharing in the area around the mine are primarily local meetings, in-person interactions, and in-office availability, rather than publicly (as in web-based applications), due to the absence of communication infrastructure such as internet, mail, or email, and this is culturally appropriate

The evidence does not include the information to confirm that all environmental and social monitoring data are publicly available,

and that some more technical details can be limited unless requested.

- 2.1.10.5. (New Mines) The existence of publicly available ESIA and ESMS information, and the means of accessing it, shall be publicized by appropriate means.
- (Existing Mines) The existence of publicly available ESMS information, and the means of accessing it, shall be publicized by appropriate means.

Refer to 2.1.10.4; the company makes the existence of ESMS information available through in-person meetings that are held on a regular basis, and this is culturally appropriate. Interviews with stakeholders indicate mixed results. Some stakeholders report several means to access monitoring information. Others report no knowledge of how to access information from the company, unless requested.

Chapter 2.2—Free, Prior and Informed Consent (FPIC)

In 2007, the United Nations (UN) called for the universal adoption of Free, Prior, and Informed Consent (FPIC) for Indigenous communities through the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). FPIC is a principle that protects the rights of Indigenous peoples by ensuring they have the authority to give or withhold consent to projects that affect their lands, resources, or rights based on full disclosure and prior to the commencement of any activity. IRMA's six-member board adopted the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), referenced in Chapter 2.2 of the IRMA Standard.

The IRMA Standard, Version 1, 2018, defines Indigenous peoples as those who:

- “identify themselves and are recognized and accepted by their community as Indigenous;
- demonstrate historical continuity with pre-colonial or pre-settler societies;
- have strong links to territories and surrounding natural resources;
- have distinct social, economic, or political systems;
- maintain distinct languages, cultures, and beliefs;
- form non-dominant groups of society; and
- resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.”

Different requirements for 'new mines' and 'existing mines' were also adopted by IRMA. The most current version of IRMA Standard Guidance, Version 1.2 (November 2024), defines an existing mine as one that was operational prior to the date that the IRMA standard was published in final (June 2018). A new mine is defined as one that becomes operational and applies for IRMA verification after the date that the IRMA standard was published in final (June 2018). This distinction recognizes that some requirements in the chapter cannot be applied retroactively at existing mines and clarifies how IRMA expects companies to demonstrate that they still meet the intent of the social and environmental objectives of the chapter (Applicability Relative to the Life-Cycle Stage of the Assessed Mine, IRMA Standard Guidance, Version 1.2, June 2023, page 10). At existing mines, where FPIC was not obtained in the past, operating companies will be expected to "demonstrate that they are operating in a manner that seeks to achieve the objectives of this chapter. For example, companies may demonstrate that they have the free, informed consent of Indigenous peoples for current operations by providing evidence of signed or otherwise verified agreements, or, in the absence of agreements, demonstrate that they have a process in place to respond to past and present community concerns and to remedy and/or compensate for past impacts on Indigenous peoples' rights and interests. In alignment with this chapter, such processes should have been agreed to by Indigenous peoples and evidence should be provided that agreements are being fully implemented by the companies." IRMA Standard 1.0 –Guidance Document 1.2 (June 2023).

Fenix began operations in 1997 (Livent Resource and Reserve Report, December 2023). Under IRMA guidance, Fenix is considered an existing mine. Within the area of influence of Fenix Lithium Mine, INAI and Catamarca provincial legislation have identified the Kolla Atacameño people in Antofalla as an officially recognized Indigenous Community in Antofagasta de la Sierra Department (2023 Argentina Registry of Indigenous Communities). While no other Indigenous populations are officially registered, there is a group identified as Atacameños del Altiplano that initiated procedures for Indigenous recognition with the INAI in March 2023. Their application is currently under review.

The group identified as Atacameños del Altiplano provided written feedback to IRMA during the audit timeframe (through a letter dated November 30, 2022, delivered to auditors in December 2022) but did not participate in person.

National legislation in Argentina focuses on Free Prior and Informed Consultation rather than Free, Prior, and Informed Consent and the recognition of indigenous people is carried out by INAI, which is the government agency dedicated to promoting and protecting the rights of Indigenous peoples. Adopted by Catamarca in 2016 through Resolution SEM 330/2016, this legal framework mandates that authorities secure Free, Prior, and Informed Consultation before developers initiate projects that may impact Indigenous communities. Proceedings under this resolution related to mining company applications imply but do not require written consent.

Although the site has provided significant written documentation and verbal evidence, proper assessment of this chapter requires additional engagement with community stakeholders, in particular further evidence and collection of more testimonies or interviews to fully assess this chapter and analyze if Indigenous rights could be impacted. The surveillance audit should include additional and updated stakeholder interviews, including input from certain stakeholders who had declined to participate in the IRMA process. The communities and organizations identified above will be included in stakeholder outreach

during the surveillance audit. Surveillance audits are scheduled to occur approximately 12-18 months after the publication of the initial audit report.

It is important to note that the fact that Chapter 2.2 was not assessed should not be interpreted as non-compliance with this requirement. “Not assessed” means that this aspect was not evaluated during the audit process.

IRMA, SCS, and Arcadium acknowledge the delay in releasing this report. Despite the non-assessment of Chapter 2.2, the report is being released now to support transparency and the adoption of best practices. This report marks an important milestone in mining transparency by providing information on the level of conformance of the Fenix Lithium Mine with all other chapters of the IRMA Standard.

Auditing under the IRMA standard requires input from stakeholders and rightsholders to foster inclusive decision-making. Comments are welcome anytime at feedback@scsglobalservices.com and at www.responsiblemining.net.

Sources:

IRMA Standard Guidance (versions June 2023 and October 2019)

IRMA Secretariat Comments (between August 2023 and October 2024)

United Nations Declaration on the Rights of Indigenous Peoples (2007);

Indigenous and Tribal Peoples Convention, 1989 (No. 169);

National Institute of Indigenous Affairs (Instituto Nacional de Asuntos Indígenas - INAI) Comments (January 16, 2024);

Atacameños del Altiplano Application to the National Institute of Indigenous Affairs (March 2023).

Chapter 2.3—Obtaining Community Support and Delivering Benefits

Basis for rating

- 2.3.1.1. The operating company shall publicly commit to:
- a. Maintaining or improving the health, social and economic wellbeing of affected communities; and
 - b. Developing a mining project only if it gains and maintains broad community support.

- The evidence reviewed includes website links to public reports, such as the company's annual Sustainability Reports, in which the leadership of the company (i.e., Public Affairs Vice President, Sourcing Manager, CEO, and Director of Legal and Public Affairs) expresses the company's commitment to:
- a. Maintaining or improving the health (EHS Policy, November 2022), social and economic well-being of affected communities (2021 Sustainability Report); and
 - b. Improving the quality of life of communities where they operate and only to continue operating and expanding lithium

			<p>production in a safe, socially responsible, ethical, and environmentally conscious way (2021 Sustainability Report). The public statements do not include commitments to operating only if broad community support is gained and maintained.</p>
2.3.2.1.	For new mines, the operating company shall demonstrate that it obtained broad community support from communities affected by the mining project, and that this support is being maintained.	—	Not Relevant. Fenix is an existing mine.
2.3.2.2.	<p>For new mines, broad community support shall be determined through local democratic processes or governance mechanisms, or by another process or method agreed to by the company and an affected community (e.g., a referendum). Evidence of broad community support shall be considered credible if the process or method used to demonstrate support:</p> <ol style="list-style-type: none"> Occurred after the operating company carried out consultations with relevant stakeholders regarding potential impacts and benefits of the proposed mining project; Was transparent; Was free from coercion or manipulation; and Included the opportunity for meaningful input by all potentially affected community members, including women, vulnerable groups 	—	Not Relevant. Fenix is an existing mine.

and marginalized members, prior to any decision or resolution.

2.3.2.3. For existing mines, the operating company shall demonstrate that the mine has earned and is maintaining broad community support.

Documentary evidence reviewed, including surveys from 2018 and interviews from 2019, suggests that the company is committed to the welfare of local communities. A perception analysis conducted in 2018 with a random sample of 60 people revealed that 63% support mining development in the region, 47% have a favorable opinion of the company, and 5% view it very positively. Additionally, 62% believe the company's Corporate Social Responsibility activities are well-supported.

The company's generally positive relationship with the communities is further evidenced by nine articles in the local and regional press about the public hearing process, links containing the main conclusions of the public hearing, the socioeconomic impact of the Fenix Project in Catamarca province (July 2022), and a video of the public hearing developed by the company (August 12, 2022). The video shows the participation of local and regional authorities, an NGO, and representatives from various regional communities, indicating a generally positive attitude towards the company.

Interviews with government and community stakeholders reveal support for the company's presence in the area due to its contributions to the communities. Local authorities feel heard and supported by the company and have noticed a significant improvement in the company's social management, particularly in providing benefits to the community. Residents of nearby communities report that the company promptly addresses their demands and is seen as a key contributor to the area's development. However, residents of Los Nacimientos and Antofalla have mixed or neutral feelings towards the company.

While many interviewees support the company's operations, a smaller group is neither for nor against it, believing the company-community relationship could be improved. Only one interviewee opposes lithium mining development in Argentina and

neighboring countries in general, but not specifically against the company.

It's worth noting that there is a group of local and foreign individuals strongly opposed to mining activity in the area and beyond. Attempts to arrange meetings with this group were unsuccessful. Their opposition is based on perceived impacts on the Trapiche Wetland, the distribution of community benefits, and overall opposition to the audit as presented in a letter to IRMA staff in May 2021.

Stakeholder interviews and auditor reviews suggest that while the company is developing community support, it is not yet fully established.

2.3.3.1. The operating company, in collaboration with affected communities and other relevant stakeholders (including workers and local government), shall develop a participatory planning process to guide a company's contributions to community development initiatives and benefits in affected communities.

The evidence reviewed includes meeting minutes of a meeting between the community and the company (Bitácora del Diálogo, March 2021), a 30-day public consultation held by the Catamarca Ministry of Mining during July-August, 2022 (link: <https://mineriasustentable.com.ar/contenido/3778/mineria-inicio-la-consulta-y-audiencia-publica-del-informe-de-impacto-ambiental->) during which the company provided project information and consulted with interested groups and communities around the mine, a public hearing meeting organized by the government (August 2022), and the commitments made by the company following comments received in the public hearing (Commitments from Public Hearing between Livent and the Community, August 2022), and indicates that the company has a participatory planning process to guide the company's contributions to community development initiatives and benefits, and the process via dialogue table meetings with affected communities is by consensus and is ongoing. Contributions are guided by a company procedure, which focuses on health and nutrition, education and employment, and safety and the environment, and accountabilities for proper distribution.

Interviews with a sample of key staff, workers, and other stakeholders, indicate some interviewees were not included in

some of the planning processes for the delivery of benefits. For example, it was mentioned that while they positively value the provision of groceries, the food does not necessarily reflect items consumed locally. In addition, some interviewees suggested that they would appreciate a more comprehensive community support strategy.

2.3.3.2. The planning process shall be designed to ensure local participation, social inclusion (including both women and men, vulnerable groups, and traditionally marginalized community members, e.g., children, youth, the elderly, or their representatives), good governance and transparency.

The evidence reviewed includes a report on company led education programs (Manos Abiertas Foundation - Final Report, 2019), a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021), and the Communities Complaints and Concerns Form (SG-PRC-007-F03, January 2022), and indicates that the company has encouraged local participation in the planning of activities including schools and communities for identified concerns.

Interviews with a sample of stakeholders, government representatives and key staff indicate the company's planning process is transparent and designed to ensure local participation and social inclusion. The company has several means for fulfilling stakeholders' requests: directly, such as telephone, e-mail, and WhatsApp; and through quarterly meetings.

Comments from a sampling of those interviewed suggest more could be done to ensure the participation of women in the planning process, particularly those responsible for household chores, by adjusting Eco Conciencia meeting times or conducting separate meetings to accommodate differences, including those based upon gender, age and vulnerable group categories.

2.3.3.3. If requested by the community and not provided by the appropriate public authorities, the operating company shall

The evidence reviewed includes a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (2021-2023), and

provide funding for mutually agreed upon experts to aid in the participatory process.

indicates that the company provides funding, including training, technical assistance, and machinery provisions to livestock producers and farmers from affected communities, to aid in its projects when requested. The company indicated that they have several initiatives to facilitate community outreach and dialogue, including contracting specialized third parties to improve communication with affected communities. The evidence, a public hearing meeting organized by the government (August 2022), indicates that this third-party involvement was mutually agreed upon and initiated when the president of the EcoConciencia Foundation received a request for support by a leader from a potentially affected community, which was subsequently approved by the company.

- 2.3.3.4. Efforts shall be made to develop:
- a. Local procurement opportunities;
 - b. Initiatives that benefit a broad spectrum of the community (e.g., women, men, children, youth, vulnerable and traditionally marginalized groups); and
 - c. Mechanisms that can be self-sustaining after mine closure (including the building of community capacity to oversee and sustain any projects or initiatives agreed upon through negotiations).

The evidence reviewed includes:

- a presentation on the Local Suppliers Development Program (DeProCat, 2020) and Supplier Development (August 2022)
- a spreadsheet tracking services provided by local businesses (Consolidated data, 2022)
- a sample of contracts with local companies (2022)

and indicates the company has (a) made efforts to develop local procurement, contracting, and supply strategies promoting the use of local suppliers (including a contract for the transport service from Antofagasta de la Sierra): Since 2019, the company has advanced programs to develop local suppliers from the province of Catamarca. In this context, the list of suppliers has doubled. It was reported that in the last three years, more local companies captured a greater proportion of the company's annual spending on goods and services.

The evidence reviewed, including entrepreneurs' programs and initiatives information and interviews with a sample of stakeholders, suppliers, and key staff, indicate (b) that the programs benefit a wide range of community members (i.e., children, youth, women, men, and vulnerable groups). In addition, many of the activities that

are developed (for example, scholarships for students, entrepreneurs' program, personalized advice through the technical team of the EcoConciencia Foundation), and (c) programming, including training on issues related to agricultural production, animal health, and nutrition seek to generate skills in the members of the community around development of capacities and productive activities that are sustained outside of the mining activity that takes place in the area.

2.3.3.5. The planning process and any outcomes or decisions shall be documented and made publicly available.

The evidence reviewed includes a report on company-led education programs (Manos Abiertas Foundation - Final Report, 2019), Communities Complaints and Concerns Form (SG-PRC-007-F03, January 2022), and a Donation Request form (RC-PRC-001-F01, December 2021), and indicates that the company has a process in place for documenting outcomes and decisions.

● Roundtable meeting minutes (Bitácora del Diálogo, years 2021 and 2022) provide evidence of a detailed record of stakeholder participation and a process for reporting back to the whole population about the progress of measures adopted based on the agreements reached transparently and publicly.

In addition, interviews with a sample of stakeholders indicate their knowledge of, or participation in, an end-of the year meeting designed to inform communities of the company's community support activities.

2.3.3.6. In collaboration with the community, the operating company shall periodically monitor the effectiveness of any mechanisms or agreements developed to deliver community benefits, based on agreed upon indicators, and evaluate if changes need to be made to those mechanisms or agreements.

● The evidence reviewed includes a status report of the company's scholarship program (Fundación Puentes Propuestas, April 2021), and indicates that the company monitors program effectiveness and the mechanisms used for delivering community benefits is having positive results. A new version of the program was launched in December 2021 and outcomes of the many projects done with the community are monitored as indicated in the 2021 Livent Community Relations report (Annex II - 2021 Summary, pages 30 to 41).

Interviews with a sample of stakeholders provide information to confirm evidence of programming success, with some reporting that the specific mechanism that delivers benefits to local authorities for subsequent distribution to neighbors is not monitored in collaboration with them. While the evidence does not provide a formal assessment of community benefits distribution effectiveness, the evidence indicates programming is updated over time to reflect stakeholder feedback.

Chapter 2.4—Resettlement

Basis for rating

2.4.1.1. If there is the potential that a new mine (including associated facilities) or the expansion of an existing mine or associated facilities may require land acquisition that could result in the involuntary resettlement (for the remainder of this chapter, referred to simply as resettlement) of people, the operating company shall undertake an assessment process to evaluate the potential direct and indirect risks and impacts related to the physical and/or economic displacement of people.

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Chapter 2.5—Emergency Preparedness and Response

Basis for rating

2.5.1.1. **Critical.** All operations related to the mining project shall have an emergency response plan conforming to the guidelines set forth in United Nations



The evidence reviewed includes the company's Emergency Response Plan (SF-PRC-015, August 2022), and indicates the company's commitment to conform to the guidelines set forth in

<p>Environment Programme, Awareness and Preparedness for Emergencies at the Local Level (APELL) for Mining.</p>	<p>APELL (SF-PRC-015 August 2022), excluding extreme weather events.</p>
<p>2.5.1.2. The operating company shall:</p> <ol style="list-style-type: none"> a. Conduct an exercise to test the plan, with key participants describing how they would respond to a variety of different emergency scenarios, at least every 12 to 24 months; and b. Update the communications contacts of the emergency response plan at least annually. 	<p>The evidence reviewed includes the company's Emergency Response Plan (SF-PRC-015, August 2022), a sample of Annual Training Plans (2020, 2021, and 2022), a sample of emergency response simulation records and evaluations (2020 and 2021), and two lists containing emergency phone numbers (Important Phone numbers, version 19 and 20, updated March 2021 and March 2022), and indicates:</p> <ol style="list-style-type: none"> a. key personnel are involved in different emergency drills regarding a variety of emergency situations such as chemical spills, warehouse evacuation, confined space extraction, fire, and evacuation, and that these drills are conducted at least every 12 months. The company indicated that most stakeholders live far away from the mine site and that the biggest mining-related risk would be the transportation of chemicals on the roads going through the communities. The annual training plans include annual emergency drills regarding chemical spills during the transportation of hazardous chemicals for workers and contractors. b. the list of emergency contacts is updated whenever there are changes to the emergency contact information. <p>The evidence does not provide details to confirm that the emergency drills reasonably test the community's ability to respond to emergencies.</p>
<p>2.5.2.1. Critical. The emergency response plan shall be developed in consultation with potentially affected communities and workers and/or workers' representatives, and the operating company shall incorporate their input into the</p>	<p>The company indicated that the latest version of the Emergency Response Plan (SF-PRC-015, August 2022) and the road safety plan (no date), was presented to 38 individuals from Antofagasta de la Sierra, Antofalla, and El Peñón in August 2022. The company further indicated that most stakeholders live far away from the mine site and that the biggest mining-related risk would be the</p>

emergency response plan, and include their participation in emergency response planning exercises.

transportation of chemicals on the roads going through the communities. During this meeting, the company explained the procedure to receive comments using the Communities Complaints and Concerns Form (SG-PRC-007-F03, January 2022). The evidence reviewed includes internal e-mail communications (August 2022) following the presentation and indicating that the company documents stakeholder feedback regarding the presented emergency plans.

The evidence reviewed includes a sample of emergency response simulation records and evaluations (2020 and 2021), and indicates that workers are involved in different emergency drills regarding a variety of emergency situations such as chemical spills, warehouse evacuation, confined space extraction, fire, and evacuation (2020 and 2021), and that the company documents worker's feedback on the emergency response plan. The emergency response plan SF-PRC-015 (August 2022) indicates that it shall be updated at least annually or whenever modifications are deemed necessary and that the opportunities for improvement that are identified through emergency drills shall be implemented.

Interviews were conducted with a sample of stakeholders and workers, among them contractors and key staff. Worker interviews indicate that they have been consulted regarding the Emergency Preparedness and Response Plan, as part of health and safety training (with regards to SC-PRC-009 Response to Distribution Emergencies, SC-PRC-012-A05 Contingency Plan for Fuel Oil).

The evidence does not include details to confirm that community stakeholder feedback was considered during updates to the emergency response plans or participated in any emergency drill exercises.

2.5.3.1. All operations related to the mining project shall be covered by a public liability accident insurance policy that

The evidence reviewed includes a policy (Prudencia Seguros, Policy 274031, November 14, 2020) that insures the Secretary of State for the Environment and Sustainable Development of Catamarca, covering environmental damage of collective incidence caused by the company, which includes relevant and negative effects on the

provides financial insurance for unplanned accidental events.

environment or its resources, and that involve unacceptable harm to health or the deterioration of a natural resource that limits its ability to regenerate. The evidence also includes a civil liability policy (La Meridional, Policy 409756, October 1, 2021) that covers property damage and injuries of a public member as a result of the company's business activities. An additional civil liability policy (Chubb, policy 846.771, July 20, 2021) does not include the contractual terms to assess its coverage. The evidence indicates that the company has public liability accident insurance policies that provide financial insurance for unplanned accidental events.

2.5.3.2. The public liability accident insurance shall cover unplanned accidental events such as flood damage, landslides, subsidence, mine waste facility failures, major spills of process solutions, leaking tanks, or others.

The evidence reviewed includes a policy (Prudencia Seguros, Policy 274031, November 14, 2020) that insures the Secretary of State for the Environment and Sustainable Development of Catamarca, covering environmental damage of collective incidence caused by the company, which includes relevant and negative effects on the environment or its resources, and that involve unacceptable harm to health or the deterioration of a natural resource that limits its ability to regenerate. The evidence also includes a civil liability policy (La Meridional, Policy 407917, October 1, 2020) that covers property damage and an additional civil liability policy (Chubb, policy 846.771, July 20, 2021), which does not include the contractual terms to assess its coverage. The evidence indicates that the company has insurance policies in place that cover damage to the environment due to unplanned accidental events.

2.5.3.3. The accident insurance coverage shall remain in force for as long as the operating company, or any successor, has legal responsibility for the property.

Does not meet. The evidence, policy (Prudencia Seguros, Policy 274031, November 14, 2020), and civil liability policy (La Meridional, Policy 407917, October 1, 2020), indicate that the insurance is valid for one year.

Chapter 2.6—Planning and Financing Reclamation and Closure



Basis for rating

Initial IRMA audits conducted at mines revealed that the IRMA Standard's financial surety requirements are not possible to meet in some jurisdictions. For instance, if there is not a formal government-mandated program for collecting and managing closure funds and overseeing closure in the event of default by the mine, then there is no effective body to act as the beneficiary or receiver of a financial surety. On May 23, 2023, IRMA delivered new guidance: "Until further notice auditors will not score 2.6.4.1, 2.6.4.2 and 2.6.4.3 in countries without state-hosted financial surety." Under this guidance, auditors have not scored requirements 2.6.4.1, 2.6.4.2 and 2.6.4.3. for the Fenix Lithium Mine.

The conditions of the financial guarantee in the province of Catamarca are documented in Resolution No. 396 - 2016, Annex 1 – Mine Closure Guide (translated): "Any Mining Company that carries out Mining Operations must constitute a Financial Guarantee that assures the State and safeguards full and timely compliance with the Mine Closure Plan, in accordance with environmental protection regulations, or that, if applicable, the Secretary of State of Mining executes them to carry out the closing work, in the event of their eventual non-compliance."

Fenix Lithium Mine's 2018 reclamation and closure plan was updated in October 2022 to include the best practices outlined in IRMA Chapter 2.6 (2.6.2.2) and submitted to the Secretary of State for Mining. The closure plan, including estimated closure costs (USD \$22.1 Million) was received by the Catamarca Secretary of State for Mining in December 2022, and is currently under review.

Refer to IRMA's record of decision on financial surety and reporting at: <https://responsiblemining.net/wp-content/uploads/2023/05/Assurance-Committee-Memo-of-Decision-re-Financial-Surety-Reporting-20230523.pdf>.

<p>2.6.1.1. The operating company shall guarantee that the cost of implementing reclamation for exploration activities related to the mining development will be met by the company.</p>		<p>The company has a Mine Closure Plan (October 2022), that covers all current components of the Fenix project. Chapter 7.13 (p.40) presents the measures taken during exploration. The closure costs (Ch. 9, table 2) will cover one remaining piezometer, and the roads used during the exploration phase and now being used during production.</p>
<p>2.6.1.2. The operating company shall implement exploration-related reclamation in a timely manner.</p>		<p>As indicated in the Mine Closure Plan (October 2022), Chapter 7, since 1990, the company has developed 17 exploration wells, and currently only one remains operational (well 2001) to be reclaimed during the closure phase. The remaining 16 wells were removed to</p>

		<p>develop new facilities, such as evaporation ponds and monitoring pads. The exploration roads are in use for the exploitation phase. All remaining exploration facilities will be reclaimed during closure of the Fenix project.</p>
<p>2.6.1.3. Any stakeholder complaints of incomplete or inadequate exploration reclamation, if not resolved by other means, shall be discussed and resolved through the operational-level grievance mechanism (see IRMA Chapter 1.4).</p>	<p>●</p>	<p>The company has provided evidence regarding the engagement with stakeholders starting in 2021 through dialogue tables (Acta No. 20, 2021 and Bitácora del Diálogo: Mesa del Diálogo, March 2021). Records of these dialogues do not show any complaints regarding inadequate exploration reclamation. During an interview, company staff explained that the exploration wells are currently being used as piezometers to monitor groundwater resources, so they continue to be part of the operation.</p>
<p>2.6.2.1 Critical. Prior to the commencement of mine construction activities the operating company shall prepare a reclamation and closure plan that is compatible with protection of human health and the environment, and demonstrates how affected areas will be returned to a stable landscape with an agreed post-mining end use.</p>	<p>●</p>	<p>For existing mines, the IRMA standard requires companies to indicate they have a Closure Plan in place (IRMA, Guidance for auditors 2021; explanatory note). The company has a Mine Closure Plan (October 2022), that covers all current components of the Fenix project. The closure criteria established in the plan include keeping:</p> <ul style="list-style-type: none"> - Physical stability of the terrain - Chemical stability of the mined area - The hydrological and hydrogeological stability of the mined area - The conservation of the biodiversity <p>The relevant chapters of the closure plan are:</p> <ul style="list-style-type: none"> - Ch. 3: Introduction - Ch. 4: Components for closure - Ch. 5: Current conditions at the mine site - Ch. 6: Community interaction while preparing the closure plan - Ch. 7: Measures and closure activities

- Ch. 8: Maintenance and post-closure monitoring
- Ch. 9: Schedule, budget, and financial surety.
- Ch 10: Disclosure program

- 2.6.2.2 At a minimum, the reclamation and closure plan shall contain:
- a. A general statement of purpose;
 - b. Site location and background Information;
 - c. A description of the entire facility, including individual site features;
 - d. The role of the community in reviewing the reclamation and closure plan;
 - e. Agreed-upon (after-ESIA) post-mining land use and facility use;
 - f. Source and pathway characterization including geochemistry and hydrology to identify the potential discharge of pollutants during closure;
 - g. Source mitigation program to prevent the degradation of water resources;
 - h. Interim operations and maintenance, including process water management, water treatment, and mine site and waste site geotechnical stabilization;
 - i. Plans for concurrent or progressive reclamation and revegetation, which should be employed wherever practicable;

The Mine Closure Plan (October 2022) indicates that the company has considered following topics for mine closure and post-closure:

- a. General closure goals and criteria (Chapters 3.5 and 3.6);
- b. Information about site location and background information (Chapter 3);
- c. Description of the project components and site features (Chapter 4);
- d. The role of the community and stakeholders in reviewing and commenting the closure plan (Chapter 10);
- e. Post-mining land use and facility use (Chapter 3.5), and the community's preferences related to the use of the facilities (Chapter 10);
- f. Measures to close the brine extraction wells (Chapter 7.4) and the closure of the waste yard (Chapter 7.11);
- g. Measures to close the brine extraction wells (Chapter 7.4) and the closure of the waste yard (Chapter 7.11);
- h. Required maintenance and post-closure monitoring processes (Chapter 8);
- i. Progressive closure and/or reclamation (Chapter 7.3.1);
- j. Measures required for closure (Chapter 7) including water management facilities (Chapter 7.11);
- k. Revegetation as part of the measures for closure (Chapter 7.2);
- l. Hazardous materials disposal (Chapter 7.4);
- m. Closure measures for each component and facility, including demolition and disposal (Chapter 7.4.2);
- n. Post closure maintenance activities (Chapter 8.1);
- o. Preliminary post closure monitoring on surface water, groundwater, and flora and fauna (Chapter 8);

j. Earthwork:

Stabilization and final topography of the reclaimed mine lands;

Storm water runoff/run-on management;

Topsoil salvage to the maximum extent practicable;

Topsoil storage in a manner that preserves its capability to support plant regeneration;

k. Revegetation/Ecological Restoration:

Plant material selection, prioritizing native species as appropriate for the agreed post-mine land use;

Quantitative revegetation standards with clear measures to be implemented if these standards are not met within a specified time;

A defined period, no longer than 10 years, when planned revegetation tasks shall be completed;

Measures for control of noxious weeds;

Planned activities to restore natural habitats (as well as biodiversity, ecosystem services and other

p. Description of the community participation in the preservation of the archeological sites (Chapter 8.1.5);

q. 2-year closure schedule (Chapter 9).

The evidence does not include details to confirm that the company has considered revegetation measures, such as plant material selection, measures for control of noxious weeds, and other planned activities, as listed in the sub-requirements i. to v. for the revegetation and ecological restoration of impacted areas in its mine closure and post-reclamation plan.

conservation values as per Chapter 4.6);

- l. Hazardous materials disposal;
- m. Facility demolition and disposal, if not used for other purposes;
- n. Long-term maintenance;
- o. Post-closure monitoring plan;
- p. The role of the community in long-term monitoring and maintenance (if any); and
- q. A schedule for all activities indicated in the plan.

2.6.2.3. The reclamation and closure plan shall include a detailed determination of the estimated costs of reclamation and closure, and post-closure, based on the assumption that reclamation and closure will be completed by a third party, using costs associated with the reclamation and closure plan as implemented by a regulatory agency. These costs shall include, at minimum:

- a. Mobilization/demobilization;
- b. Engineering redesign, procurement, and construction management;
- c. Earthwork;
- d. Revegetation/Ecological Restoration;
- e. Disposal of hazardous materials;
- f. Facility demolition and disposal;
- g. Holding costs that would be incurred by the regulatory agency following a bankruptcy in the first

Chapter 9.2 of the Mine Closure Plan (October 2022), table 2, presents an estimated budget for closure.

The evidence does not include a cost break-down to confirm that the items b, c, d, e, f, g, and j are budgeted.

two years before actual reclamation begins, including:

Interim process water and site management; and

Short-term water treatment;

h. Post-closure costs for:

Long-term water treatment; and

Long-term monitoring and maintenance;

i. Indirect Costs:

Mobilization/demobilization;

Engineering redesign, procurement and construction management;

Contractor overhead and profit;

Agency administration;

Contingency; and

j. Either:

A multi-year inflation increase in the financial surety; or

An annual review and update of the financial surety.

2.6.2.4. The operating company shall review and update the reclamation and closure plan and/or financial assurance when

The 2018 closure plan was reviewed and updated in October 2022, indicating that the company reviews and updates its reclamation

there is a significant change to the mine plan, but at least every 5 years, and at the request of stakeholders provide them with an interim reclamation progress report.

and closure plan at least every 5 years or when there is a significant change in the operation.

2.6.2.5. If not otherwise provided for through a regulatory process, prior to the commencement of the construction of the mine and prior to completing the final reclamation plan the operating company shall provide stakeholders with at least 60 days to comment on the reclamation plan. Additionally:

- a. If necessary, the operating company shall provide resources for capacity building and training to enable meaningful stakeholder engagement; and
- b. Prior to completing the final reclamation plan, the operating company shall provide affected communities and interested stakeholders with the opportunity to propose independent experts to provide input to the operating company on the design and implementation of the plan and on the adequacy of the completion of reclamation activities prior to release of part or all of the financial surety.

The evidence reviewed includes the company's Mine Closure Plan (October 2022), and indicates that the company has identified stakeholders and classified them as institutional and community stakeholders. Chapter 10 of the mine closure plan indicates that the company plans to inform the stakeholders about the closure plan updates every 2 years.

- a. The company started the disclosure of the updated closure plan with the community actors as described in Chapter 2 and indicates that the company held an informative workshop in October 2022 with community participants from Antofagasta de la Sierra, El Peñón, Los Nacimientos, and Antofalla. A summary of the workshop indicates that participants understood the material presented to them and made relevant questions and comments regarding the closure plan. Chapter 10 describes how the company assessed the capacity-building needs of the different stakeholders and recognizing that didactic measures are needed for meaningful engagement with some stakeholders. The plan includes ongoing and regular stakeholder engagement to build the necessary capacity.
- b. Chapter 10 describes the disclosure plan with the community, with the purpose of incorporating opinions and suggestions from the local population. Each update of the closure plan will allow stakeholders to propose changes to the plan. Chapter 10 further indicates that the company plans to hold participatory workshops with stakeholders once the closure plan comes into effect.

The evidence does not provide details to confirm that affected communities and interested stakeholders are able to propose

			independent experts and that stakeholders have at least 60 days to comment on the closure plan before its finalization.
2.6.2.6.	Critical. The most recent version of the reclamation and mine closure plan, including the results of all reclamation and closure plan updates, shall be publicly available or available to stakeholders upon request.	●	The company started the disclosure of the updated closure plan with a selected group from the community as described in Chapter 10 of the Mine Closure Plan (October 2022), holding a workshop in October 2022 with participants from Antofagasta de la Sierra, El Peñón, Los Nacimientos and Antofalla. The evidence and interviews with company personnel indicate that the closure plan is available to stakeholders upon request.
2.6.3.1.	Open pits shall be partially or completely backfilled if: <ul style="list-style-type: none"> a. A pit lake is predicted to exceed the water quality criteria in IRMA Chapter 4.2; and b. The company and key stakeholders have agreed that backfilling would have socioeconomic and environmental benefits; and c. It is economically viable. 	—	Not relevant. The Fenix project does not have open pits or underground mines. The project does not generate any tailings or waste rock. The company's lithium source is brine, which is water with a high salt content, and is extracted from the underground using conventional wells.
2.6.3.2.	Underground mines shall be backfilled if: <ul style="list-style-type: none"> a. Subsidence is predicted on lands not owned by the mining company; and b. If the mining method allows. 	—	Not relevant. The Fenix project does not have an underground mine that needs backfill. The project does not produce tailings or waste rock. The company's lithium source is brine, which is water with a high salt content, and is extracted from the underground using conventional wells.
2.6.4.1.	Critical. Financial surety instruments shall be in place for mine closure and post closure.		Not scored. Refer to note at the beginning of this chapter. The company follows the Catamarca regulatory process regarding financial surety. The closure plan, including estimated closure costs (USD \$22.1 Million) was received by the Catamarca Secretary of State for Mining in December 2022, and is currently under review. The

		<p>company provided a corporate guarantee in an amount to cover estimated reclamation and closure costs in alignment with IRMA November 2022 Chapter 2.6 Guidance, and this interim guidance was suspended by IRMA May 23, 2023.</p>
<p>2.6.4.2. Financial surety instruments shall be:</p> <ul style="list-style-type: none"> a. Independently guaranteed, reliable, and readily liquid; b. Reviewed by third-party analysts, using accepted accounting methods, at least every five years or when there is a significant change to the mine plan; c. In place before ground disturbance begins; and d. Sufficient to cover the reclamation and closure expenses for the period until the next financial surety review is completed. 		<p>Not scored. Refer to note at the beginning of this chapter. The company follows the Catamarca regulatory process regarding financial surety. The closure plan, including estimated closure costs (USD \$22.1 Million) was received by the Catamarca Secretary of State for Mining in December 2022, and is currently under review. The company provided a corporate guarantee in an amount to cover estimated reclamation and closure costs in alignment with IRMA November 2022 Chapter 2.6 Guidance, and this interim guidance was suspended by IRMA May 23, 2023.</p>
<p>2.6.4.3. Self-bonding or corporate guarantees shall not be used.</p>		<p>Not scored. Refer to note at the beginning of this chapter. The company follows the Catamarca regulatory process regarding financial surety. The closure plan, including estimated closure costs (USD \$22.1 Million) was received by the Catamarca Secretary of State for Mining in December 2022, and is currently under review. The company provided a corporate guarantee in an amount to cover estimated reclamation and closure costs in alignment with IRMA November 2022 Chapter 2.6 Guidance, and this interim guidance was suspended by IRMA May 23, 2023.</p>
<p>2.6.4.4. The results of all approved financial surety reviews, with the exception of confidential business information, shall</p>	<p>⊗</p>	<p>Does not meet. Since the company follows the Catamarca regulatory process, and the surety amount is under review, the</p>

be made available to stakeholders upon request.

results of all approved financial reviews are not available to stakeholders.

- 2.6.4.5. Prior to the commencement of the construction of the mine, prior to any renewal of the financial surety, and prior to final release of the financial surety the operating company shall provide the public with at least 60 days to comment on the adequacy of the financial surety. Additionally:
- a. Where the company deems certain financial surety information to be confidential business information it shall make the data available to the IRMA auditor and satisfy the auditor that the grounds for confidentiality are reasonable. If certain information is not included for confidential reasons, the fact that the information has been withheld shall be disclosed along with the financial surety.
 - b. If necessary, the operating company shall provide resources for capacity building and training to enable meaningful stakeholder engagement; and
 - c. Prior to the beginning of closure reclamation activities the operating company shall provide affected communities and interested stakeholders with the opportunity to propose independent experts to review the financial surety.

Fenix is an existing mine, and its reclamation and closure plan is publicly available. The company follows the Catamarca regulatory process regarding stakeholder consultation. The closure plan, including estimated closure costs (USD \$22.1 Million) was received by the Catamarca Secretary of State for Mining in December 2022, and is currently under review. While there is no specific government process to facilitate stakeholders' review and comment specific to financial surety adequacy, the company employs several processes to make information available to stakeholders regularly, in a culturally appropriate manner, including in printed media, online, in meetings and in person, as well as upon request (refer to findings in Chapter 1.2, Appendix A). Previous stakeholder requests confirm that the company offers capacity building and resources, as applicable.

The evidence does not include information to confirm that affected communities and interested stakeholders have at least 60 days to provide comments on the adequacy of the financial surety amounts.

<p>2.6.4.6. The terms of the financial surety shall guarantee that the surety is not released until:</p> <ul style="list-style-type: none"> a. Revegetation/ecological restoration and reclamation of mine and waste sites and have been shown to be effective and stable; and b. Public comment has been taken before partial or final surety release. 	<p>—</p>	<p>Not relevant. The company follows the Catamarca regulatory process, and the surety amount is under review. Refer to note at the beginning of this chapter.</p>
<p>2.6.5.1. Monitoring of closed mine facilities for geotechnical stability and routine maintenance is required in post-closure. The reclamation and closure plan shall include specifications for the post-closure monitoring and maintenance of all mine facilities, including, but not limited to:</p> <ul style="list-style-type: none"> a. Inspection of surface (open pits) and underground mine workings; b. Inspection and maintenance of mine waste facilities including effectiveness of cover and any seepage capture systems; and c. Mechanisms for contingency and response planning and implementation. 	<p>—</p>	<p>Not relevant. The Fenix project does not include open pits and underground workings, or any permanent waste facility, this requirement is not applicable. The company's lithium source is brine (water with a high salt content), which is extracted from the underground using conventional wells.</p>
<p>2.6.5.2. Monitoring locations for surface and groundwater shall be sufficient to detect off-site contamination from all closed mine facilities, as well as at the points of compliance.</p>	<p>●</p>	<p>Chapter 10 of the Mine Closure Plan (October 2022) indicates monitoring stations for groundwater (table 1) and surface waters (table 6). Table 9 indicates the intent to monitor the water quality in monitoring wells close to the Trapiche River.</p> <p>The evidence does not include monitoring stations for surface</p>

		water, if needed, to detect off-site contamination from closed mine facilities.
<p>2.6.5.3. Water quality monitoring locations shall be sampled until IRMA Water Quality Criteria have been met for at least 5 years, with a minimum of 25 years of post-closure data. The 25-year minimum may be waived if ongoing water quality monitoring demonstrates and modeling predicts that no contamination of surface or ground waters is occurring or will occur, respectively.</p>	●	<p>The evidence reviewed includes the Mine Closure Plan (October 2022, Chapter 8), and indicates that monitoring will be conducted according to resolution 396-2016 (SEM Resolution 396-2016 Mine Closure Guide, Article 8, pages 9 and 10), which requires the company to monitor water quality at least 5 years after closure and until physical and chemical stability has been demonstrated through data obtained in physical, geochemical, hydrological and biological campaigns.</p> <p>The evidence does not indicate how physical and chemical stability is defined and whether it refers to the host country's water quality limits.</p>
<p>2.6.5.4. Biologic monitoring shall be included in post-closure monitoring if required to ensure there is no ongoing post-closure damage to aquatic and terrestrial resources.</p>	●	<p>The evidence reviewed includes Chapter 8, Mine Closure Plan (October 2022), and indicates that the company will continue to monitor ecosystems and terrestrial flora and fauna within a 2 km radius of the plant and in areas along the wetlands down and upstream of the Trapiche River dam, the Catal lagoon, the Penas Blancas creek, and the steppe surrounding the artificial lagoon and reaching to the edges of the Salar, and along the larger rivers and valleys of the Salar until at least 5 years after mine closure. Components of the post-closure monitoring is described in Chapter 2 of the Mine Closure Plan (page 406, Post-Closure Monitoring Activities, October 2022).</p>
<p>2.6.5.5. If a pit lake is present, pit lake water quality shall be monitored, and if potentially harmful to people, wildlife, livestock, birds, or agricultural uses, adequate measures shall be taken to protect these organisms.</p>	—	<p>Not relevant. The Fenix project does not operate an open pit.</p>

- 2.6.6.1. Long-term water treatment shall not take place unless:
- a. All practicable efforts to implement best practice water and waste management methods to avoid long-term treatment have been made; and
 - b. The operating company funds an engineering and risk assessment that:
 - i. Is carried out by an independent third-party;
 - ii. Evaluates the environmental and financial advantages/disadvantages and risks of long-term water treatment versus other mitigation methods;
 - iii. Incorporates data on the failure rates of the proposed mitigation measures and water treatment mechanisms;
 - iv. Determines that the contaminated water to be treated perpetually poses no significant risk to human health or to the livelihoods of communities if the discharge were to go untreated; and
 - v. Includes consultations with stakeholders and their technical representatives during the design of the study, and discussion of findings with

Not relevant. The Fenix project does not have any waste rock or tailings storage facility that could require water treatment at any time.

	affected communities prior to mine construction or expansion.	
2.6.6.2	If a decision is made to proceed with long-term water treatment, the operating company shall take all practicable efforts to minimize the volume of water to be treated.	— Not relevant. The Fenix project does not have any waste rock or tailings storage facility that could require water treatment at any time.
2.6.7.1.	The operating company shall provide sufficient financial surety for all long-term activities, including: mine closure and post-closure site monitoring, maintenance, and water treatment operations. Financial assurance shall guarantee that funds will be available, irrespective of the operating company's finances at the time of mine closure or bankruptcy.	<p>⊗</p> <p>The company engages licensed, credentialed professionals in the development of its closure activities and costs. It relies on reviews of estimated reclamation and closure costs by an independent accounting firm to assess sufficiency for long-term activities including mine closure and post closure, site monitoring, maintenance, and water treatment operations.</p> <p>The company's updated reclamation and closure plan, including estimated closure costs (USD \$22.1 Million), was received by the Catamarca Secretary of State for Mining in December 2022, and is currently under review and not yet approved.</p> <p>The company is ready to start the process of submitting a financial guarantee, irrespective of the company's finances at the time of mine closure, as soon as the regulatory agency, the Catamarca Secretary of State for Mining, approves its closure plan and financial assurance amount, and this will be evaluated at the surveillance audit.</p> <p>Since the financial surety instruments to cover the costs of mine closure and post-closure are not approved by the government, this requirement is scored as does not meet.</p>








<p>2.6.7.2. If long-term water treatment is required post-closure:</p> <ul style="list-style-type: none"> a. The water treatment cost component of the post-closure financial surety shall be calculated conservatively, and cost calculations based on treatment technology proven to be effective under similar climatic conditions and at a similar scale as the proposed operation; and b. When mine construction commences, or whenever the commitment for long-term water treatment is initiated, sufficient funding shall be established in full for long-term water treatment and for conducting post-closure monitoring and maintenance for as long as IRMA Water Quality Criteria are predicted to be exceeded. 	<p>—</p>	<p>Not relevant. The Fenix project does not have any waste rock or tailings storage facility that could require water treatment at any time.</p>
<p>2.6.7.3. The post-closure financial surety shall be recalculated and reviewed by an independent analyst at the same time as the reclamation financial surety.</p>	<p>●</p>	<p>The evidence reviewed includes a recalculation of financial surety conducted by an independent accounting firm (KPMG, May 2023), sufficient to cover reclamation, mine closure and post closure.</p>
<p>2.6.7.4. Long-term Net Present Value (NPV) calculations utilized to estimate the value of any financial surety shall use conservative assumptions, including:</p> <ul style="list-style-type: none"> a. A real interest rate of 3% or less; unless the entity holding the financial surety can document that a 	<p>⊕</p>	<p>The evidence reviewed includes a recalculation of post-closure financial surety using conservative assumptions (KPMG, May 2023) in alignment with Catamarca legislation and interim IRMA requirements.</p> <p>However, post-closure financial surety is currently under regulatory agency review and their approval of the NPV and acceptance of the assumptions is pending.</p>

- higher long-term real interest rate can be achieved; and
- b. NPV calculation will be carried out until the difference in the NPV between the last two years in the calculations is US \$10.00 or less (or its equivalent in other currencies).



Principle 3: Social Responsibility

RATING LEGEND
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant
	Not scored
	Pending

Chapter 3.1—Fair Labor and Terms of Work




Basis for rating

3.1.1.1. The operating company shall adopt and implement human resources policies and procedures applicable to the mining project that set out its approach to managing workers in a manner that is consistent with the requirements of this chapter and national (i.e., host country) law.



The company has adopted and implemented comprehensive human resources policies including procedures on and procedures aligned with national laws and largely with the expectations set out in this chapter. For example, their global Learning Management System (LMS) has a worker training assignment on ethics and legal compliance with an email and phonenumber to receive reports of ethical violations.

Interviews with a sample of employees, among them contractors and key staff, indicate employees are familiar with the implemented tools and procedures, and that these are consistent with host country laws and best practices.

<p>3.1.2.1. Critical. The operating company shall respect the rights of workers to freedom of association and collective bargaining.</p>		<p>The company respects the rights of workers to associate and freely engage in collective bargaining, without interference or victimization as evidenced in their Human Rights Policy (December 2019), the Collective Labor Agreement of the Workers of Minera del Altiplano (July 2019), and a sample of employees completed training programs (2021), as well as employee and contractor interviews.</p> <p>Interviews with a sample of employees, among them contractors and key staff, indicate employees and contractors participate in an applicable union including the Asociación Obrera Minera Argentina (AOMA) or others like, UPSRA, UOCRA at their discretion.</p>
<p>3.1.2.2. Where national law substantially restricts workers' organizations, the operating company shall not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. The operating company shall not seek to influence or control these mechanisms.</p>		<p>Not relevant. Argentinean law supports worker rights and workers' organizations. Additionally, the company's Human Rights Policy (December 2019) and agreements with workers (i.e., Collective Labor Bargaining Agreement of the Workers of Minera del Altiplano 2019) promote freedom of association among its employees and do not restrict its workers from developing alternative mechanisms to express grievances.</p> <p>Interviews with a sample of employees, among them contractors and key staff, indicate employees and contractors are familiar with related grievance mechanisms and their rights are not influenced or controlled by the company.</p>
<p>3.1.2.3. The operating company shall engage with workers' representatives and workers' organizations and provide them with information needed for meaningful negotiation in a timely manner.</p>		<p>The evidence reviewed includes the Collective Labor Agreement of the Workers of Minera del Altiplano (July 2019), a sample of meeting minutes from the Health and Safety Committee: Livent's Joint Health and Safety Committee Minutes (2020-2021), and a procedure on Management System Planning and Review (SG-PRC-005, November 2020), and indicates the company has developed processes for negotiations and engages with workers representatives and organizations needed for meaningful negotiation in a timely manner.</p> <p>Interviews with worker's representatives and a sample of workers</p>

		<p>indicate that the company maintains a good relationship with the union and recognized its good intentions. None of the interviewees indicated that the company does not provide necessary information for negotiations on time.</p>
<p>3.1.2.4. Workers' representatives shall have access to facilities needed to carry out their functions in the workplace. This includes access to designated non-work areas during organizing efforts for the purposes of communicating with workers, as well as accommodations for workers' representatives at fly-in/fly-out or other remotely located mine sites, where relevant.</p>	<p>●</p>	<p>The company provides workers' and trade union representatives access to the mine site to carry out their functions and communicate in confidence with members in the workplace. Designated, non-work areas were identified during the site visit and are referenced in the Collective Labor Bargaining Agreement (Workers of Minera del Altiplano 2019).</p> <p>Interviews with workers' representatives indicate they have access to designated non-work areas during organizing efforts for the purpose of communicating with workers.</p>
<p>3.1.2.5. The operating company shall remain neutral in any legitimate unionizing or worker-organizing effort; shall not produce or distribute material meant to disparage legitimate trade unions; shall not establish or support a company union for the purpose of undermining legitimate worker representation; and shall not impose sanctions on workers' organizations participating in a legal strike.</p>	<p>●</p>	<p>The evidence reviewed includes the company's Human Rights Policy, section III - Freedom to Associate/Collectively Bargain (December 2019), Agreement of the Workers of Minera del Altiplano (2019), and interviews with workers, workers representatives, and human resources, and indicate that the company maintains a neutral stance and does not interfere in the operation of trade unions or worker organizations or impose sanctions on worker organizations participating in a legal strike.</p>
<p>3.1.2.6. Upon employment, the operating company shall:</p> <ol style="list-style-type: none"> a. Inform workers of their rights under national labor and employment law; b. Inform workers that they are free to join a workers' organization of their 	<p>●</p>	<p>The evidence reviewed includes an Internal Procedures for the Training of New Employees (HR_SOP-001), the Collective Agreement between the Argentine Mining Workers Association (AOMA) and the company Minera del Altiplano S.A., records, interviews with workers, representatives of workers and the company, and indicates that the company informs workers about their rights as indicated by law (a), also informs the free right to join</p>

<p>choosing without any negative consequences or retaliation from the operating company;</p> <p>c. If relevant, inform workers of their rights under any applicable collective agreement; and</p> <p>d. If relevant, provide workers with a copy of the collective bargaining agreement and the contact information for the appropriate trade union (or workers' organization) representative.</p>	<p>worker organizations (b), informs workers to the right of collective bargaining (c) and in Article 33 of the Collective Agreement, it is indicated that the "company will supply and allow the placement of union informative communication billboards for all workers. They will be installed in visible places previously agreed upon by the parties "(d).</p>
<p>3.1.2.7. The operating company shall not discriminate or retaliate against workers who participate, or seek to participate, in legitimate workers' organizations or in a legal strike.</p>	<p>Based on the evidence review, and interviews with workers, worker representatives, and human resources managers, no evidence of discrimination or retaliation was found against workers who participate or seek to participate in a legitimate worker organization or legal strike. The Code of Ethics and Business Conduct (2019), mentions protection against retaliation of any kind. The Disciplinary Warnings and Sanctions Procedure (HR-SOP-006) mentions the application of disciplinary sanctions against harassment (mobbing), in order to maintain a work environment free of intimidation and hostility.</p>
<p>3.1.2.8. Where the operating company is a party to a collective bargaining agreement with a workers' organization, the terms of the agreement shall be respected. Where such an agreement does not exist, or an agreement does not address specific requirements in this chapter, the operating company shall meet the relevant IRMA requirements.</p>	<p>The evidence reviewed includes the Collective Labor Agreement of the Workers of Minera del Altiplano (July 2019) and interviews with workers, worker representatives, and human resources managers, and indicates that the company respects the terms of worker agreements and fully implements them. The collective agreement signed by the representatives of the company and the Argentine Mining Workers Association (AOMA) before the Ministry of Production and Labor, is a consensual agreement in which the company and the Union declare that mutual respect, understanding, collaboration, and good faith</p>

		constitute the basis of their relationships and the factors that will facilitate understanding (Art. 38).
<p>3.1.2.9. The operating company shall not make use of short-term contracts or other measures to undermine a collective bargaining agreement or worker organizing effort, or to avoid or reduce obligations to workers under applicable labor and social security laws and regulations.</p>	●	<p>Based on evidence reviewed, including the Collective Labor Agreement of the Workers of Minera del Altiplano (July 2019), and interviews with workers, worker representatives, human resources managers, and contractors, neither the company nor its contractors make use of short-term contracts or other measures to undermine a collective bargaining agreement, worker organizing effort, or to avoid or reduce worker obligations. The majority of the company employees are permanently employed. Fixed-term contracts are used as a temporary measure to address labor requirements.</p> <p>Interviews with a sample of unionized workers confirmed that they have a good relationship with the company.</p>
<p>3.1.2.10. The operating company shall not hire replacement workers in order to prevent, undermine or break up a legal strike, support a lockout, or avoid negotiating in good faith. The company may, however, hire replacement workers to ensure that critical maintenance, health and safety, and environmental control measures are maintained during a legal strike.</p>	●	<p>The site operates under the Collective Labor Bargaining Agreement of the Workers of Minera del Altiplano 2019 and Argentinean Law No20744. Based on reviewed documents, records, interviews with workers, worker representatives and human resources managers, there is no evidence the company hires replacement workers to prevent, undermine or break up a legal strike, support a lockout, or avoid negotiating in good faith.</p>
<p>3.1.3.1. The operating company shall base employment relationships on the principles of equal opportunity and fair treatment, and shall not discriminate or make employment decisions on the basis of personal characteristics unrelated to inherent job requirements.</p>	●	<p>Based on the evidence review, records, interviews with workers, worker representatives and human resources managers, the company bases employment relationships on the principles of equal opportunity and fair treatment. Documental evidence includes policy statements (November 2020), internal announcements from the CEO, published mission and values, and workforce courses, trainings and workshops for diversity and</p>

		<p>inclusion, grievance records, employment agreements, and performance reviews.</p> <p>Interviews with a sample of employees, among them contractors and key staff, indicate jobs are posted and employees are promoted without discrimination (men and women) unrelated to inherent job requirements. In addition, the company is actively promoting workforce development locally, making job opportunities available to those who may not otherwise be eligible.</p>
<p>3.1.3.2 Exceptions to 3.1.3.1 may be made with respect to hiring and recruitment in the case of:</p> <ul style="list-style-type: none"> a. Targets or quotas mandated by law; b. Targets developed through local agreements for the employment of local residents, Indigenous peoples, or individuals who have been historically disadvantaged; or c. Operating company targets for the employment of local residents, Indigenous peoples, or individuals who have been historically disadvantaged that are expressed in publicly accessible policies with explicit goals and justification for such targets. 	<p>●</p>	<p>The company exceeds the employment quota that is mandated by law, interviews with HR and employees confirmed that the company bases employment relationships on the principles of equal opportunity and fair treatment.</p>
<p>3.1.3.3. Critical. The operating company shall take measures to prevent and address harassment, intimidation, and/or exploitation, especially in regard to female workers.</p>	<p>●</p>	<p>The company has implemented measures to prevent and address harassment, intimidation, and/or exploitation to all employees especially in regard to female workers. Evidence provided by the company includes its Code of Ethics (March 2019), Ethics Response Line, a Sexual Harassment prevention policy (October 2018), a sample of the company's presentation slides for Diversity and</p>

		<p>Inclusion Trainings (no date), and an Incident/Accident Reporting and Investigation Procedure (SF-PRC-004, November 2020).</p> <p>Interviews with female employees and contractors indicate that they are aware of the sexual harassment and discrimination policies, and related procedures, including those to file a complaint. Interviewees are also aware that a procedure for follow-up investigations of incidents is in place (SF-PRC-004).</p>
<p>3.1.4.1. Prior to implementing any collective dismissals, the operating company shall carry out an analysis of alternatives to retrenchment. If the analysis does not identify viable alternatives to retrenchment, a retrenchment plan shall be developed in consultation with workers, their organizations, and, where appropriate, the government. The plan shall be based on the principle of non-discrimination, and be implemented to reduce the adverse impacts of retrenchment on workers.</p>	<p>—</p>	<p>Not relevant. There are no records of collective dismissal.</p>
<p>3.1.4.2. The operating company shall ensure that all workers receive notice of dismissal and severance payments mandated by law and collective agreements in a timely manner. All outstanding back pay, social security benefits, and pension contributions and benefits shall be paid on or before termination of the working relationship, or in accordance with a timeline agreed through a collective agreement. Payments shall be made directly to workers, or to appropriate institutions</p>	<p>●</p>	<p>The evidence reviewed includes policies for terminating employees (HR-SOP-002, and HR-SOP-002-F01) and a sample pay slip of a suspended employee (June 2021) and indicates that the company assigns accountabilities and has a process to ensure, in the event of a dismissal of employee, that:</p> <ul style="list-style-type: none"> - all workers receive notice of dismissal and severance payments mandated by law and collective agreements in a timely manner. - all outstanding back pay, social security benefits, and pension contributions and benefits shall be paid on or before termination of the working relationship, or in accordance with a timeline agreed through a collective agreement.

for the benefit of workers. Where payments are made for the benefit of workers, they shall be provided with evidence of such payments.

- all payments are made directly to workers.
- information is properly documented

Interviews with workers' representatives indicate workers are provided with due process associated with a potential notice of dismissal, and review payroll and other termination-related records to verify that workers received severance payments (and back pay/benefits) mandated by law or collective agreement in a timely manner.

3.1.5.1. **Critical.** The operating company shall provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. The mechanism, at minimum:

- Shall involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution;
- Shall allow for anonymous complaints to be raised and addressed;
- Shall allow workers' representatives to be present, if requested by the aggrieved worker; and
- Shall not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

The company has grievance mechanisms for workers and contractors to raise workplace concerns, which are aligned with corporate policies. The evidence reviewed includes the Code of Conduct of Suppliers (no date), Code of Ethics and Commercial Conduct (2019), Guidelines on entertainment, reimbursement of gifts to public officials (2021), Human Rights Policy (2019), and the Sexual Harassment Prevention Policy (2019).

The company has developed (a) several channels through which grievances can be filed including a dedicated hotline (0800-444-1243), an ethics reporting webpage that allows employees to report ethical violations at webpage <https://livent.ethicspoint.com>, and a physical mailbox. The reporting website is aligned with requirement (a) because the page is easy to use and indicates that a review of any questions or responses in the matter will be resolved in 5 or 6 labor days. All channels are aligned with requirement (b) as complainants can submit a grievance anonymously. The Code of Conduct indicates that grievances shall be reported to the employee's manager, human resources manager, or the company lawyer and refers to the contact information of the company's General Counsel and other company lawyers in case the employee wants to directly report to those.

These mechanisms (d) do not impede access to other judicial or administrative remedies under the law or through existing arbitration procedures

		<p>Interviews with a sample of employees, among them contractors and key staff, indicate that they are aware of the channels to present a grievance. Some interviews indicated to have presented grievances in the past and received a proper answer within the stipulated timeframe.</p> <p>The evidence did not include (c) information to confirm that workers' representatives are allowed to be present if requested by the aggrieved worker.</p>
<p>3.1.5.2. The operating company shall inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them.</p>	<p>●</p>	<p>The company informs workers of the grievance mechanism at the time of recruitment and at least annually thereafter. Evidence reviewed includes the email Code of Ethics and Business Conduct - Anti-Corruption Policy (April 2022) disclosure, phone numbers and the link to the grievance mechanism webpage in the company's Code of Ethics and Business Conduct document (October 2019/ page. 06, 27 and 28).</p> <p>Interviews with a sample of employees, among them contractors and key staff, indicate workers and contractors are aware of the different channels as part of the grievance mechanism, and they confirm these channels are accessible.</p>
<p>3.1.5.3. The operating company shall maintain a record of grievances and the company's actions taken to respond to and/or resolve the issues.</p>	<p>●</p>	<p>The evidence reviewed includes three grievance examples, including cases 56, 62, and 69. For all three cases, the information included a description of the grievance record, findings, investigation details, and follow-up activities. These digital records are maintained according to company policies.</p> <p>Interviews with a sample of employees, among them contractors and key staff, indicate that they are aware of the procedure to file complaints and grievances, and they have seen the company's prompt response to complaints.</p>
<p>3.1.6.1. The operating company shall have documented disciplinary procedures (or</p>	<p>●</p>	<p>The evidence reviewed includes the company's procedure for Warnings and Disciplinary Sanctions (HR-SOP-006, December</p>

their equivalent) that are made available to all workers.

2021), which includes its scope, definitions, responsibilities, and its application, its Disciplinary Warnings and Sanctions Form (HR-SOP-006-F01, December 2021) and an actual Disciplinary Warnings and Sanctions Form (May 2021), and indicate that the company has documented disciplinary procedures.

The evidence does not indicate how this is made available to workers.

Interviews with a sample of employees, among them contractors, that some workers are not aware of this procedure.

3.1.6.2. The operating company shall not use corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation of workers during disciplinary actions.

The company does not use corporal punishment during disciplinary actions as indicated in the Code of Ethics and Business Conduct (March 2019) and Disciplinary Warnings and Sanctions Form (HR-SOP-006-F01, December 2021).

Interviews with a sample of employees, among them contractors and key staff, indicate the company has zero tolerance towards harsh or disrespectful treatment including sexual or physical harassment, mental, physical, or verbal abuse, coercion, or intimidation of workers during disciplinary actions. Interviewees indicate the company does not use corporal punishment during disciplinary actions. Interviews indicate job satisfaction (i.e., new workers, experienced workers, regardless of gender or position type). Interviews provided information to confirm a minority of workers may not report harassment among peers for fear of being singled out.

3.1.6.3. The operating company shall keep records of all disciplinary actions taken.

The evidence reviewed includes the company's procedure for Warnings and Disciplinary Sanctions (HR-SOP-006, December 2021), which includes its scope, definitions, responsibilities, and its application, its Disciplinary Warnings and Sanctions Form (HR-SOP-006-F01, December 2021) and an actual Disciplinary Warnings and Sanctions Form (May 2021) issued to an employee (the name and any confidential information has been removed). The final reports

		on grievances (several examples provided) document any outcomes of the investigation. The evidence indicates that the company maintains records of disciplinary actions taken.
3.1.7.1.	The operating company shall document the ages of all workers.	<p>●</p> <p>The company documents the ages of all workers and maintains copies of government issued identification documents on file. For the company to establish an employment relationship with someone, a worker's certificate must be presented, which shows their personal information. Contracting companies are also obliged to present all their workers' information on the Minexus platform, as indicated by a sample screenshot of the Minexus software (no date).</p>
3.1.7.2.	Critical. Children (i.e., persons under the age of 18) shall not be hired to do hazardous work (e.g., working underground, or where there is exposure to hazardous substances).	<p>●</p> <p>The company prohibits child labor (Human Rights Policy, section D). Human resources and medical staff confirmed that age is verified during the recruitment process and Health and Safety procedures. Evidence reviewed included the ages of employees documented in the Employee payroll (May 2022) with all employees aged eighteen (18) and above.</p> <p>During the site visit, there was no sign that minors were working at site. This was confirmed by interviews.</p>
3.1.7.3.	Critical. The minimum age for non-hazardous work shall be 15, or the minimum age outlined in national law, whichever is higher.	<p>●</p> <p>The company prohibits the employment of children. The minimum age under Argentinean Law No20744 for working is eighteen (18).</p> <p>During the site visit, there was no sign that minors were working at site (see 3.1.7.2). This was confirmed by interviews.</p>
3.1.7.4.	When a child is legally performing non-hazardous work, the company shall assess and minimize the risks to their physical or mental health, and ensure that regular monitoring of the child's health, working conditions and hours of	<p>—</p> <p>Not relevant. The company does not employ children under the age of 18. On-site observations and interviews confirmed this.</p>

<p>work occurs by the national labor authority, or if that is not possible, by the company itself.</p>		
<p>3.1.7.5. If the operating company discovers that a child under the minimum age outlined in 3.1.7.2 and 3.1.7.3 is performing hazardous or non-hazardous work:</p> <ul style="list-style-type: none"> a. The child shall be removed immediately from his or her job; and b. Remediation procedures shall be developed and implemented that provide the child with support in his or her transition to legal work or schooling, and that take into consideration the welfare of the child and the financial situation of the child's family. 	<p>—</p>	<p>Not relevant. The company does not employ children under the age of 18. On-site observations and interviews confirmed this.</p>
<p>3.1.7.6. Where there is a high risk of child labor in the mine's supply chain, the operating company shall develop and implement procedures to monitor its suppliers to determine if children below the minimum age for hazardous or non-hazardous work are being employed. If any cases are identified, the operating company shall ensure that appropriate steps are taken to remedy them. Where remedy is not possible, the operating company shall shift the project's supply chain over time to suppliers that can</p>	<p>—</p>	<p>Not relevant. The evidence, a risk matrix for potential human rights risks with a focus on workers (Human Rights Violation Risk Assessment Matrix, December 2021), indicates that there is not a high risk of child labor in the supply chain.</p>

demonstrate that they are complying with this chapter.

3.1.8.1. **Critical.** The operating company shall not employ forced labor or participate in the trafficking of persons.

The evidence reviewed includes the company's Policy on Human Rights (2019), and a Supplier Code of Conduct (2019). Both documents state that the company prohibits forced labor or the trafficking or involuntary servitude of any worker.





On-site observations and interviews with a sample of employees and contractors provide evidence that the company does not employ forced labor or participate in the trafficking of persons.

3.1.8.2. Where there is a high risk of forced or trafficked labor in the mine's supply chain, the operating company shall develop and implement procedures to monitor its suppliers to determine if forced labor or trafficked workers are being employed. If any cases are identified, the operating company shall ensure that appropriate steps are taken to remedy them. Where remedy is not possible, the operating company shall shift the project's supply chain over time to suppliers that can demonstrate that they are complying with this chapter.

Not relevant. The evidence, a risk matrix for potential human rights risks with a focus on workers (Human Rights Violation Risk Assessment Matrix, December 2021), indicates that there is not a high risk of forced labor in the supply chain.

3.1.9.1. The operating company shall pay wages to workers that meet or exceed the higher of applicable legal minimum wages, wages agreed through collective wage agreements, or a living wage.

The company has an agreement with workers' representatives regarding wages. According to the other documents provided for this requirement, the wages in the company are superior to the minimum wages required by Argentinean law. Interviews with a sample of workers including contractors indicate compensation is sufficient to afford a decent standard of living and that a position at the company is highly valued.

<p>3.1.9.2. Overtime hours shall be paid at a rate defined in a collective bargaining agreement or national law, and if neither exists, at a rate above the regular hourly wage.</p>		<p>The collective bargaining agreement (Collective Labor Bargaining Agreement of the Workers of Minera del Altiplano 2019 (CCT2019), section 25.2) indicates that the company pays overtime at a rate higher than the regular hourly wage. The company also claimed to comply with local regulations.</p> <p>The evidence does not include details to confirm that overtime is paid at the rate defined in a collective bargaining agreement or national law.</p>
<p>3.1.9.3. All workers shall be provided with written and understandable information about wages (overtime rates, benefits, deductions and bonuses) before they enter employment, and for the pay period each time they are paid.</p>		<p>The documents, pay slips model and example (2021), and the compensation scale based on the current Collective Labor Bargaining Agreement of the Workers of Minera del Altiplano 2019 (CCT2019) indicate that the company provides written and understandable compensation information to new employees and each time employees get paid. These documents give details on wages, including overtime pay, benefits, deductions, and bonuses.</p>
<p>3.1.9.4. The operating company shall pay wages in a manner that is reasonable for workers (e.g., bank transfer, cash or check).</p>		<p>The evidence indicates the company pays worker wages through bank transfer; a manner reasonable for workers, and interviews with a sample of workers indicated pay systems are reliable and work as intended.</p>
<p>3.1.9.5. The operating company shall ensure that deductions from wages are not made for disciplinary purposes unless one of the following conditions exist:</p> <ol style="list-style-type: none"> Deductions from wages for disciplinary purposes are permitted by national law, and the law guarantees the procedural fairness of the disciplinary action; or Deductions from wages for disciplinary purposes are permitted 		<p>The company does not use deductions as a form of disciplinary mechanism. Reviewed deductions at the time of the audit were in accordance with the provisions of the Employment Contract Law. Work 20,744. These deductions can be seen in the sample Salary Receipt (Suspension), from June 2021.</p>

in a freely negotiated collective bargaining agreement or arbitration award.

- 3.1.10.1. The operating company shall ensure that:
- a. Regular working hours do not exceed eight hours per day, or 48 per week. Where workers are employed in shifts the 8-hour day and 48-hour week may be exceeded, provided that the average number of regular hours worked over a 3-week period does not exceed 8 hours per day and 48 hours per week;
 - b. Workers are provided with at least 24 consecutive hours off in every 7-day period; and
 - c. Overtime is consensual and limited to 12 hours a week.
 - d. Exceptions to 3.1.10.1.b and c shall be allowed at mines in remote locations if:
 - i. A freely negotiated collective bargaining agreement is in force that allows variances to the rest and/or overtime hours above; and
 - ii. Through consultations with workers' representatives, a risk management process that includes a risk assessment for extended working hours is established to minimize the impact of longer working hours



Fenix is in a remote location.

- a. The evidence reviewed includes the collective bargaining agreement (HR-SOP-004 and Art. 12), and indicates that employees work for 12 hours for seven days in a row, and then have 7 days of rest. Over 4 weeks, this averages 6 work hours per day and 42 hours per week.
- b. As described in a. workers have 7 days off after each 7-day period of work.
- c. Overtime work will be provided by employees per the collective bargaining agreement only when emergencies, such as natural disasters, imminent danger to people or facilities, etc., occur.

The document Maximum Average Working Day per Work Cycle – Legal Justification by Lawyer Firm (June 2021) provides evidence that there are specified rules for working hours that are compliant with the Argentinean legislation (Art. 150 and 164), and collective agreements (HR-SOP-004 and Art. 19 and 20 of the AOMA agreement) indicate that the company is compliant with sub-requirement (d).

While interviews with a sample of workers and workers' association representatives indicate that working hours and collective agreements are respected, the evidence does not include information to confirm how the company ensures that overtime is agreed upon consensually and kept to a limit of 12 hours (c).

<p>on the health, safety and welfare of workers.</p>		
<p>3.1.10.2. Where neither national law nor a collective bargaining agreement includes provisions for worker leave, the operating company shall, at minimum, provide:</p> <ul style="list-style-type: none"> a. An annual paid holiday of at least three working weeks per year, after achieving one year of service; and b. A maternity leave period of no less than 14 weeks. 	<p>●</p>	<p>The annual paid holidays comply with this requirement, according to the document Personnel leave (pages 3-4).</p> <p>Interviews with key human resources staff and female employees confirmed that maternity leave is respected according to legal requirements and that the company has in the past extended this leave in a mutual agreement with employees.</p>
<p>Chapter 3.2—Occupational Health and Safety</p>		<p>Basis for rating</p>
<p>3.2.1.1. The operating company shall implement a health and safety management system for measuring and improving the mining project’s health and safety performance.</p>	<p>●</p>	<p>The evidence reviewed includes the company’s Integrated Management System Manual (2020), that establishes its Health, Safety, Environment and Quality Management System, and indicates that the company has built and implemented a system of occupational health and safety, following ISO 45001:2015 and certified by TÜV Rheinland to assess risks. The company indicated to be in transition from ISOweb to Qsoft, which will allow for better traceability of the health and safety management system.</p>
<p>3.2.2.1. The operating company shall implement an ongoing, systematic health and safety risk assessment process that follows a recognized risk assessment methodology for industrial operations.</p>	<p>●</p>	<p>The company has implemented a continuous and systematic process of assessing health and safety risks, in accordance with the Hazard Identification and Risk Assessment Procedure (SF-PRC--003-A02) for Routine and Non-Routine Tasks carried out by the company, and contractors.</p>

		<p>Employees and contractors interviewed during the site visit confirmed to be aware of this procedure.</p>
<p>3.2.2.2. The assessment process shall identify and assess the significance/consequence of the full range of potential hazards associated with the mining project, including those related to:</p> <ul style="list-style-type: none"> a. The design, construction and operation of the workplace, mining-related activities and processes, the physical stability of working areas, the organization of work, use of equipment and machinery, and waste and chemical management; b. All personnel, contractors, business partners, suppliers and visitors; c. Unwanted events; d. Routine and non-routine activities, products, procedures, and services; and e. Changes in duration, personnel, organization, processes, facilities, equipment, procedures, laws, standards, materials, products systems and services. 		<p>Interviews, observations, and documents reviewed indicate the company has systems in place for the ongoing assessment of safety risks and hazards (a) to (e), based on ISO 45001. The evidence reviewed consists of information and documents considering a range of potential hazards associated with the mining project and its assessment, such as: SF-PRC-003-A02 (Risk assessment procedure from 2022), SF-PRC-001 (Contractors' tasks supervision) and SF-MTZ-003 (Risk matrix, February 2022).</p> <p>The evidence does not provide details to confirm that all relevant risks and hazards associated with changes at the mine are identified and assessed.</p>
<p>3.2.2.3. The operating company shall pay particular attention to identifying and assessing hazards to workers who may be especially susceptible or vulnerable to particular hazards.</p>		<p>IRMA defines vulnerable workers in its guidance as those who have one or more specific characteristics that may make them more susceptible to health or safety impacts (e.g., in some cases workers with disabilities, HIV/AIDS or other disease or health impairments, young, older or female workers may be more susceptible to certain health-related impacts, etc.). The evidence reviewed includes</p>

interviews with onsite medical teams and doctors, Employee Assistance Program information, and interviews with mine workers, including contractors, and safety and human resources managers. The company has an on-site medical facility and 24-hour care by a physician. All site employees are screened for health conditions and fit for duty and interviews with a sample of employees confirm the company has assessed hazards to workers who may be especially susceptible or vulnerable to hazards such as working at high altitude.

3.2.2.4. The operating company shall develop, implement and systematically update a risk management plan that prioritizes measures to eliminate significant hazards, and outlines additional controls to effectively minimize negative consequences and protect workers and others from remaining hazards.

The company has built and implemented a system of occupational health and safety, following ISO 45001:2015 and certified by TÜV Rheinland to assess risks that prioritizes measures to eliminate significant hazards, and outlines controls to effectively minimize negative consequences to protect workers from hazards. The evidence reviewed includes information and documents considering a range of potential hazards associated with the mining project, its assessment, measures to eliminate significant hazards, and outlines additional controls, such as SF-PRC-003-A02 (Risk assessment procedure from 2022), SP-PRC-002 (Newly hired) and SF-MTZ-003 (Risk matrix, from February 2022). These include controls to protect workers such as the use of PPE, chemical data sheets, proper signage, and ongoing safety communication. Plans and procedures are updated regularly based on incidents, accidents, investigations, and monitoring. Based on the evidence review and interviews with Health and Safety representatives, employees, and contractors, procedures are in place and employees acknowledge to be familiar with them.

The evidence does not include a specific procedure and matrix for the ongoing assessment of safety risks and hazards related to changes at the mine.

3.2.2.5. In particular, the operating company shall demonstrate that it has developed procedures and implemented measures to:

- a. Ensure that the mine has electrical, mechanical and other equipment, including a communication system, to provide conditions for safe operation and a healthy working environment;
- b. Ensure that the mine is commissioned, operated, maintained and decommissioned in such a way that workers can perform the work assigned to them without endangering their safety and health or that of other persons;
- c. Maintain the stability of the ground in areas to which persons have access in the context of their work;
- d. If relevant, whenever practicable provide two exits from every underground workplace, each connected to separate means of egress to the surface;
- e. If relevant, ensure adequate ventilation for all underground workings to which access is permitted;
- f. Ensure a safe system of work and the protection of workers in zones susceptible to particular hazards;
- g. Prevent, detect and combat accumulations of hazardous gases

The evidence reviewed and site visit observations indicate the company has developed procedures and implemented measures to align with a, b, c, f, g, and h. This evidence includes:

- MN-PRC-039 - Maintenance Procedures,
- MN-QSP-002-F01 - Master Maintenance Plan 2022,
- SF-PRC-042 - Use and Maintenance of PPE,
- SF-PRC-042-A01 - PPE Use Matrix,
- SF-PRC-003-A03 - Monitoring Plan,
- SF-PRC-046 - Hearing Protection,
- SF-PRC-047 - Respiratory Protection,
- SF-PRC-051 - Electrical Safety Program,
- SF-PRC-040 - Control and Maintenance of Safety Systems,
- SF-PRC-040-A02 - Safety Equipment Listing - Phoenix,
- SF-PRC-071 - Description and Operation of Fire Networks,
- SF-PRC-071-A01 - Description and Operation of Alarm Panel, and
- 2022 Examples of Health and Safety Forms (Inspection Routes, Automotive Inspection, Instrumentation Inspection, Mechanic Inspections).

The company's Risk Management Plan includes scheduled inspections of work areas to detect possible dangerous conditions for workers and contractors, which, as confirmed during the interviews, are performed regularly, and considered adequate. Sub-requirements (d) and (e) are not applicable.

The evidence does not include implementation of all measures of safety related to changes at the mine, or new workers (contractors or employees) not fully familiar with workplace hazards.

and dusts, and the start and spread of fires and explosions; and

- h. Ensure that when there is potential high risk of harm to workers, operations are stopped and workers are evacuated to a safe location.

3.2.3.1. Workers shall be informed of their rights to:

- a. Report accidents, dangerous occurrences and hazards to the employer and to the competent authority;
- b. Request and obtain, where there is cause for concern on safety and health grounds, inspections and investigations to be conducted by the employer and the competent authority;
- c. Know and be informed of workplace hazards that may affect their safety or health;
- d. Obtain information relevant to their safety or health, held by the employer or the competent authority;
- e. Remove themselves from any location at the mine when circumstances arise that appear, with reasonable justification, to pose a serious danger to their safety or health; and
- f. Collectively select safety and health representatives.

The evidence reviewed includes:

- Incident/Accident Reporting and Investigation Procedure (SF-PRC-004, November 2020)
- Emergency Response Procedures, (SF-PRC-015, May 2020)
- Brochure: Know your Rights and Obligations (no date)
- Compliance form for Decree 249/07: Health and Safety Regulations for mining activities (2016)
- Sample print of the Data Management System related to the Integrated HSE&Q Management System (Qsoft).
- Five example minutes from the Hygiene committee (Minutes of the Joint Committee of Hygiene and Safety of Livent from 2020-2021).
- DPM-Mining Police Inspection Minutes 13/01/2021.

indicates the company has informed workers of their rights, (a) to (f) and this is confirmed through interviews with a sample of workers in varied positions and shifts.

<p>3.2.3.2. In all cases a worker attempting to exercise any of the rights referred to in 3.2.3.1 in good faith shall be protected from reprisals of any sort.</p>	<p>●</p>	<p>The company has a Human Rights Policy (Human Rights Policy of Livent, December 2019), which considers the protection against reprisals of workers when exercising their rights referred to in 3.2.3.1. Interviews with a sample of workers including contractors indicate this protection is customary under national law.</p>
<p>3.2.3.3. The operating company shall develop systems to effectively communicate with, and enable input from the workforce on matters relating to occupational health and safety.</p>	<p>●</p>	<p>The company's HSE&Q System includes effective communication mechanisms with the workforce to allow their contributions on matters related to health and safety at work (see 3.2.1.1).</p>
<p>3.2.3.4. The operating company shall develop and implement a formal process involving workers' representatives and company management to ensure effective worker consultation and participation in matters relating to occupational health and safety including:</p> <ul style="list-style-type: none"> a. Health and safety hazard identification and assessment; b. Design and implementation of workplace monitoring and worker health surveillance programs; c. Development of strategies to prevent or mitigate risks to workers through the health and safety risk assessments or workplace and workers' health surveillance; and d. Development of appropriate assistance and programs to support worker health and safety, including worker mental health. 	<p>●</p>	<p>The evidence reviewed includes a sample of Livent Joint Health and Safety Committee Minutes (2020-2021), Compliance Form for Decree 249/07: Health and Safety Regulations for Mining Activities, 2016, and HSE&O forms aligned with the legislation of the country (Decree 249/2007), and indicates the company has a formal process involving workers' representatives and management to ensure effective worker consultation and participation in matters relating to occupational health and safety including:</p> <ul style="list-style-type: none"> a. health and safety hazard identification and assessment b. workplace monitoring and health surveillance programs c. risk assessment and mitigation d. assistance programs to support workplace health and safety. Observations and interviews with a sample of workers, among them contractors and key staff, indicate that the company support a diversity of cultural traditions and spiritual practices (i.e., hot water for mate, traditional holidays honoring Pachamama and Christianity, a nondenominational prayer space, traditional meals served in the cafeteria with access to barbeque spaces, regional influences (i.e., Salta vs. Catamarca vs. Antofagasta de la Sierra, for example), and music.

3.2.3.5. The operating company shall provide workers' health and safety representatives with the opportunity to:

- a. Participate in inspections and investigations conducted by the employer and by the competent authority at the workplace;
- b. Monitor and investigate safety and health matters;
- c. Have recourse to advisers and independent experts; and
- d. Receive timely notice of accidents and dangerous occurrences.

The company's HSE&Q System includes the procedures that confirm compliance with this requirement with the following evidence:

- Incident/Accident Reporting and Investigation Procedure (SF-PRC-004, November 2020).
- Hazard Identification and Evaluation Procedures (SF-PRC-003-A02, August 2020).

3.2.3.6. Visitors and other third parties accessing the mining premises shall receive an occupational health and safety briefing, and be provided with relevant protective equipment for areas of the mine site that or associated facilities that they will be entering.

The evidence reviewed includes a procedure for plant visits and third parties (Contractors under Livent supervision, SF-PRC-001, April 2020). Onsite observations during the audit confirmed that the company has implemented a comprehensive program for the occupational health and safety of visitors (pre-trip medical screening, arrival monitoring, safety briefing, and ongoing health monitoring on-site).

3.2.4.1. **Critical (a and b).** The operating company shall implement measures to protect the safety and health of workers including:

- a. Informing workers, in a comprehensible manner, of the hazards associated with their work, the health risks involved and relevant preventive and protective measures;

The evidence reviewed includes the company's HSE&Q System with procedures to meet the measures of this requirement, letters (a) to (e); requirement (f) is not applicable, based on the country's legislation (Law 24.557 Labor Risks and Occupational Hazards of Argentina, Safety, Health, Environment and Quality Policy (included in requirement 3.2.1.1), as well as observations and interviews with a sample of workers, including employees and contractors, OHS and human resources and medical and emergency response staff, including air and ground transport and security, and indicate that

- b. Providing and maintaining, at no cost to workers, suitable protective equipment and clothing where exposure to adverse conditions or adequate protection against risk of accident or injury to health cannot be ensured by other means;
- c. Providing workers who have suffered from an injury or illness at the workplace with first aid, and, if necessary, prompt transportation from the workplace and access to appropriate medical facilities;
- d. Providing, at no cost to workers, training/education and retraining programs and comprehensible instructions on safety and health matters as well as on the work assigned;
- e. Providing adequate supervision and control on each shift; and
- f. If relevant, establishing a system to identify and track at any time the probable locations of all persons who are underground.

the company has implemented mechanisms and measures to protect the safety and health of workers, including:

- a. Informing workers, of the hazards associated with their work, and the health risks,
- b. Providing suitable protective equipment and clothing,
- c. Providing workers who have suffered an injury or personal medical need with support at the onsite clinics and their staff (immediate and ongoing),
- d. Providing, at no cost to workers, training/education and retraining programs and comprehensible instructions on safety and health matters as well as on the work assigned, and
- e. Providing adequate supervision on each shift
- f. Not relevant.

- 3.2.4.2. If the risk assessment process reveals unique occupational health and safety risks for certain groups of workers (e.g., pregnant women, children, HIV-positive, etc.) the operating company shall ensure that additional protective measures are taken, and trainings and health promotion programs are

The company has a well-established and equipped medical facility with remote access to specialty doctors as needed as observed during the onsite audit. This medical facility operates 24/7. Employees undergo initial, pre-hire and ongoing fit-for-duty assessment and health screenings for their job type and for high-altitude work. Health screenings are offered to community members regularly. Pregnant employees are temporarily transferred, when possible, to low-altitude operations. The evidence reviewed includes an email from the Manager of Sustainable

available to support the health and safety of those workers.

Practices and company's Human Resources on aspects of this requirement, stating that the company follows the Ley 20.744 in relation to work contracts for pregnant women and in accordance with the country's legislation (Ley 24.557) and company policies.

3.2.4.3. The operating company shall provide workers with clean toilets, washing and locker facilities (commensurate with the number and gender of staff employed), potable drinking water, and where applicable, sanitary facilities for food storage and preparation. Any accommodations provided by the operating company shall be clean, safe, and meet the basic needs of the workers.

The company provides safe potable water and comfortable, clean accommodation that meets the basic needs of workers, including employees and contractors, in two separate areas (one recently built). Employee areas include recently constructed gender segregated single bedrooms with personal shower and toilet observed clean and well maintained, and equipped with security and refillable, potable water. Contractors' areas have shared rooms and although they meet basic requirements, this camp is the older of the two, and is ready for upgrades, for example: heating devices are not efficient, some windows need better insulation, and some rooms need screens to block light (especially for employees on night shifts who rest during the day). Besides housing, the company provides cafeterias observed to have nutritious food with a varied menu workers can vote on; recreation areas including a basketball gym and workout area, movie/television areas, a music room, a prayer room, training centers, and kitchens for barbecue celebrations. Some of these areas are restricted to contractors.

3.2.4.4. The operating company shall ensure that workers are provided with compensation for work-related injuries and illnesses as follows:

a. In countries where workers' compensation is not provided through government schemes or a collective bargaining agreement:

As required in local Law 24.557 Labor Risks and Occupational Hazards of Argentina, the company is required to have in place insurance for all employees for occupational incidents and work-related illness. The evidence reviewed includes a policy that covers injuries and illnesses of workers (La Meridional, Policy 6675, December 2021) as described in (a) to (c).

The operating company shall compensate workers for work-related injuries or illnesses at a rate that, at minimum, covers medical expenses and wages during the recovery and rehabilitation period;

If a worker is not able to return to work due to the severity of the work-related injury or illness, the operating company shall compensate for lost earnings until the worker qualifies for an adequate pension (i.e., 2/3 or more of the salary they would otherwise normally receive if healthy and working); or

If an occupational illness manifests after a worker has retired, the operating company or its corporate owner shall, at minimum, compensate the worker for medical expenses, unless the operating company or its corporate owner can establish that the occupational illness was not connected to the worker's employment at the mining project.

- b. In countries that do not provide for worker rehabilitation as part of their workers' compensation schemes, the operating company shall ensure that workers have free or affordable access to rehabilitation programs to

facilitate an expeditious return to work; and

- c. Where a worker dies as a result of a work-related injury or disease, the operating company shall, at minimum, provide to spouses and dependent children benefits to cover funeral expenses and transportation of the worker's body, if appropriate, as well as compensation that is equal to or greater than three months' salary of the deceased worker.

3.2.5.1. The operating company and workers' representatives on a joint health and safety committee, or its equivalent, shall perform regular inspections of the working environment to identify the various hazards to which the workers may be exposed, and to evaluate the effectiveness of occupational health and safety controls and protective measures.

The evidence reviewed includes a Collective Bargaining Agreement (AOMA, October 2019), a sample of health and safety committee meeting minutes summarizing participatory safety inspections and related action items, including workers' representatives' participation (Joint Health and Safety Committee, November 2020, and February to April 2021), and interviews with the AOMA labor relations coordinator and joint safety committee workers rep, and indicates that the company:

- a. has a joint health and safety committee with participation of workers' representatives, and
- b. the committee performs regular monthly inspections of the working environment to identify hazards and the effectiveness of OHS protections and controls.

3.2.5.2. The operating company shall carry out workplace monitoring and worker health surveillance to measure exposures and evaluate the effectiveness of controls as follows:

The evidence reviewed includes documents of the monitoring of the workplace, workers health surveillance (considering the confidentiality of the data) following the country's legislation (Decree N°249/2007) and the company's monitoring plans (SF-PRC-

- a. Workplace monitoring and worker health surveillance shall be designed and conducted by certified industrial hygienists or other competent professionals;
- b. Health surveillance shall be carried out in a manner that protects the right to confidentiality of medical information, and is not used in a manner prejudicial to workers' interests;
- c. Samples collected for workplace monitoring and health surveillance purposes shall be analyzed in an ISO/IEC 17025 certified or nationally accredited laboratory;
- d. Sample results shall be compared against national occupational exposure limits (OELs) and/or biological exposure indices (BEIs), if they exist, or OELs/BEIs developed by the American Conference of Governmental Industrial Hygienists (ACGIH); and
- e. If an OEL/BEI is exceeded, the affected worker(s) shall be informed immediately, and controls shall be reviewed and revised in a timely manner to ensure that future exposure levels remain within safe limits.

003-F08, January 2021), including the health surveillance and the HSE&Q system, and considering:

- a. Workplace monitoring and worker health surveillance was designed and is conducted by certified industrial hygienists. The monitoring includes thermal load, noise, lighting, particulate matter, among others).
- b. Health surveillance protects the right to confidentiality of medical information. This was confirmed by the medical staff and employees' interviews.
- c. Samples collected for workplace monitoring and health surveillance are analyzed in a certified accredited laboratory and based on the country's legislation (Decree N°249/2007).
- d. Sample results are compared against national occupational exposure limits.
- e. If an OEL/BEI is exceeded, the affected worker(s) is informed immediately.

3.2.5.3. Controls, protective measures, health risk assessments, risk management plans, and training and educational

The evidence reviewed includes a procedure on Change Management (SP-SOP-001, October 2020), and indicates that the company's plans and controls of occupational health and security,

<p>materials shall be updated as necessary based on inspection and monitoring results.</p>		<p>including training activities shall be updated as result of inspections and monitoring.</p>
<p>3.2.5.4. The operating company shall ensure that all workplace injuries, fatalities, accidents and dangerous occurrences, as defined by national laws or regulations, are documented, reported to the competent authority, investigated and that appropriate remedial action is taken.</p>	<p>●</p>	<p>The evidence reviewed includes the procedure on Incident/Accident Reporting and Investigation (SF-PRC-004, November 2020) and on Notification to Governmental Entities (SF-PRC-004-F03, May 2021), and indicates that the company documents and reports incidents to the relevant regulatory agency, that the incidents are investigated, and that appropriate remediation action is taken.</p>
<p>3.2.6.1. The operating company shall maintain accurate records of health and safety risk assessments; workplace monitoring and workers' health surveillance results; and data related to occupational injuries, diseases, accidents, fatalities and dangerous occurrences collected by the company and submitted to competent authorities. This information, except for data protected for medical confidentiality reasons, shall be available to workers' health and safety representatives.</p>	<p>●</p>	<p>Records of health and safety risk assessments and workplace monitoring are maintained in the software programs ART, QSoft & CORITY. Workers' health surveillance results and occupational health data are stored in the clinic files. The company's Record Retention Policy (2020) includes guidelines for the protection of medical information for reasons of medical confidentiality. Medical personnel confirmed that the information related to health surveillance and data on injuries, illnesses, work accidents, deaths, and dangerous incidents, is reported by the company to the corresponding entities in the country, in accordance with the country's legal provisions, and that this information is available to workers upon request.</p> <p>The evidence does not include the means or procedure for access to health risk assessments (recognizing confidentiality) for workers' health and safety representatives including workplace monitoring and health surveillance results, and data on occupational injuries, diseases, accidents, fatalities, and dangerous occurrences.</p>

3.2.6.2. The operating company shall establish a data management system that enables worker health data to be readily located and retrieved, and data protected by medical confidentiality to be securely stored. Data shall be retained for a minimum of 30 years, and responsible custodians shall be assigned to oversee the health data management system.



The company has a Record Retention Policy (2020) which establishes the retention times of relevant documents for the company, including safety records. Although the company indicated that the software QSoft & Cority stores these records indefinitely, the Policy appendix does not mandate the retention of 30 years of workers' health data.

The evidence for the data management system did not include a procedure to retain worker health data for a minimum of 30 years under the oversight of a responsible custodian.

3.2.6.3. The operating company shall allow workers access to their personal information regarding accidents, dangerous occurrences, inspections, investigations and remedial actions, health surveillance and medical examinations.



The evidence reviewed includes a copy of emails related to the specific information of this requirement (email dated December 23, 2021) and indicates that Human Resources is responsible for the administration, restricted access, and protection of confidentiality. The company indicates that information is available to employees upon request. The company manages the information in the software Qsoft & CORITY, which is considered adequate.

Interviews with workers indicate they have access to their personal information regarding accidents, dangerous occurrences, inspections, investigations and remedial actions, health surveillance and medical examinations.

Chapter 3.3—Community Health and Safety

Basis for rating

3.3.1.1. **Critical.** The operating company shall carry out a scoping exercise to identify significant potential risks and impacts to community health and safety from mining-related activities. At minimum,



The evidence reviewed includes an Environmental Impact Assessment (EIA) from 2018 following the country's legislation (Ley N°25.675) and a corresponding Environmental License (Environmental Impact Statement - DIA, Certificate of Environmental Aptitude - CAA, 2019), a Matrix of Environmental

the following sources of potential risks and impacts to community health and/or safety shall be considered:

- a. General mining operations;
- b. Operation of mine-related equipment or vehicles on public roads;
- c. Operational accidents;
- d. Failure of structural elements such as tailings dams, impoundments, waste rock dumps (see also IRMA Chapter 4.1);
- e. Mining-related impacts on priority ecosystem services (see also IRMA Chapter 4.6);
- f. Mining-related effects on community demographics, including in-migration of mine workers and others;
- g. Mining-related impacts on availability of services;
- h. Hazardous materials and substances that may be released as a result of mining-related activities (see also IRMA Chapter 4.1); and
- i. Increased prevalence of water-borne, water-based, water-related, and vector-borne diseases, and communicable and sexually transmitted diseases (e.g., HIV/AIDs, tuberculosis, malaria, Ebola virus disease) that could occur as a result of the mining project.

Aspects and Impacts (revision 4, updated May 2022), Tasks and Risks related to the community (SF-MTZ-003, February 2022), and Livent's Biosafety Protocol (2021), and indicates the company has carried out a scoping exercise to identify potential risks and impacts to community health and/or safety posed by:

- a. mining operations,
- b. operation of mine-related equipment and vehicles on public roads,
- c. operational accidents,
- d. is considered not applicable, as the operation does not have any notable structural elements such as tailings dams, impoundments or waste rock storage facilities that could fail.
- e. mining-related impacts on ecosystem services (see also Chapter 4.6),
- f. mining-related effects on community demographics,
- g. mining-related impacts on the availability of services,
- h. hazardous materials and substances that may be released because of mining-related activities (see also Chapter 4.1), and
- i. diseases excluding those unfamiliar to the Puna such as malaria.

<p>3.3.1.2. Scoping shall include an examination of risks and impacts that may occur throughout the mine lifecycle (e.g., construction, operation, reclamation, mine closure and post-closure).</p>	<p>●</p>	<p>The Fenix ESIA (2018) includes an assessment of potential risks and impacts that may occur throughout the mine lifecycle (e.g., construction, operation, reclamation, mine closure and post-closure) including its nature, magnitude, extent, and significance.</p> <p>Note: See supporting information for IRMA's Chapter 2.1.</p>
<p>3.3.1.3. Scoping shall include consideration of the differential impacts of mining activities on vulnerable groups or susceptible members of affected communities.</p>	<p>●</p>	<p>The area around the mine has a low population density, with about 40 inhabitants. The evidence reviewed includes an impact matrix in the EIA (Chapter 4, Table 6, October 2018), Environmental Aspects and Impacts Identification Matrix (MA-MTZ-001-A06, August 2021), and Tasks and Risks related to the community (SF-MTZ-003, May 2021), and indicates that the company has considered risks and impacts for vulnerable groups and this work is ongoing. Besides screening, the company provides individualized medical and nutritional care to the vulnerable population including the elderly, children, and persons with medical conditions, and health education to children, pregnant women, and mothers.</p>
<p>3.3.2.1. The operating company shall carry out an assessment of risks and impacts to:</p> <ul style="list-style-type: none"> a. Predict the nature, magnitude, extent and duration of the potential risks and impacts identified during scoping; b. Evaluate the significance of each impact, to determine whether it is acceptable, requires mitigation, or is unacceptable. 	<p>●</p>	<p>The company developed its operations following the country's legislation (Republic of Argentina, Ley N° 25.674). The Fenix ESIA (2018) includes an assessment of potential risks and impacts that may occur throughout the mine lifecycle (e.g., construction, operation, reclamation, mine closure and post-closure) including</p> <ul style="list-style-type: none"> a. its nature, magnitude, extent, and significance, and b. an evaluation of the significance of each impact and correspondent mitigation measures. <p>Note: See supporting information in IRMA's Chapter 2.1.</p>
<p>3.3.3.1. The operating company shall document and implement a community health</p>	<p>●</p>	<p>The evidence reviewed includes an environmental control plan (PCA) for Social Aspects (December 2014), the assessment of</p>




and safety risk management plan that includes:

- a. Actions to be taken to mitigate the significant risks and impacts identified during its risk and impact assessment; and
- b. Monitoring that will be conducted to ensure that measures to prevent or mitigate impacts remain effective.

potential risks and impacts contained in Fenix ESIA (2018), a sample of annual reports on the implementation of PCAs for Social Aspects for 2020 and 2021, and an Emergency Response Plan (SF-PRC-015, August 2022), and indicates that the company has documented and implemented plans to manage community health and safety risks as follows:

- a. Although no significant impacts on community health have been identified during the risk and impact assessment, the company has developed mitigation actions for health risks in the communities, such as nutritional programs, reduction of social isolation, and provision of first aid and emergency care. The company has additionally implemented actions to mitigate health impacts such as offering a Telehealth program that can be used by employees and neighbors for medical support (Telehealth Technology, August 2022) or the provision of crucial medical assistance to community residents. Regarding safety risks, the company indicated that most stakeholders live far away from the mine site and that the biggest mining-related safety risk would be the transportation of chemicals on the roads going through the communities and that the latest version of the Emergency Response Plan (SF-PRC-015, August 2022) and the road safety plan (no date) were presented to 38 individuals from Antofagasta de la Sierra, Antofalla, and El Peñón in August 2022.
- b. The company has contracted a third-party to monitor the status, expectations, effectiveness, and acceptance of its community health programs on an annual basis. Community health monitoring is conducted by the company during medical visits to community residents (Community Visits, no date), a document listing the communities to be visited and assessed (Report on VEM medical visits, August 2022).

The evidence does not include monitoring of transportation-related safety risks including the operation's transportation of chemicals on public roads.

<p>3.3.3.2. Mitigation measures shall prioritize the avoidance of risks and impacts over minimization and compensation.</p>		<p>The evidence reviewed includes an Environmental Impact Matrix (August 2021) and evidence listed in 3.3.1.1., and indicates that a hierarchical approach is used to prioritize avoidance over mitigation and compensation.</p>
<p>3.3.3.3. The community health and safety risk management plan shall be updated, as necessary, based on the results of risk and impact monitoring.</p>		<p>The evidence reviewed includes the company's environmental control plan (PCA) for Social Aspects (December 2014), which documents the community health management program and was last updated in 2014 replacing its prior version from 2010. The Emergency Response Plan (SF-PRC-015, version 18, August 2022) addresses actions to be taken to mitigate significant security risks to communities and establishes that the plan shall be reviewed annually, whenever significant changes to the mine operation, or when deemed necessary. The emergency response plan indicates that the company has developed and implemented a process to update it, as necessary.</p> <p>The evidence does not include details to confirm that updates to the community health and safety risk management plans are informed by the results of risk and impact monitoring.</p>
<p>3.3.4.1. If the operating company's risk and impact assessment or other information indicates that there is a significant risk of community exposure to HIV/AIDS, tuberculosis, malaria or another emerging infectious disease related to mining activities, the operating company shall develop, adopt and implement policies, business practices, and targeted initiatives:</p> <p>a. In partnership with public health agencies, workers' organizations and</p>		<p>Not relevant. There is no significant risk of community exposure to HIV/AIDS, tuberculosis, malaria, or another emerging infectious disease related to mining activities.</p> <p>The company has developed, adopted, and implemented policies and practices a) – c) to limit potential risk to communities relating to emerging infectious disease including COVID-19. The evidence includes information on the training activities for communities near the company's operations, related to sexually transmitted diseases, in addition to the health activities indicated in requirement 3.3.3.1. together with workers' organizations (AOMA), civil society and government authorities.</p>

other relevant stakeholders, create and fund initiatives to educate affected and vulnerable communities about these infections and modes of prevention of them, commensurate with the risks posed by mining;

- b. Operate in an open and transparent manner and be willing to share best practice for the prevention and treatment of these diseases with workers' organizations (e.g., trade unions), other companies, civil society organizations and policymakers; and
- c. Make information publicly available on its infectious disease mitigation program.

Stakeholders interviewed in the Salar confirmed that the company has adequate health programs in place, which are coordinated in partnership with public health agencies, and that they consider the exposure of the community to HIV/AIDS, tuberculosis, or malaria due to mining-related activities as insignificant.

3.3.4.2. If the assessment demonstrates a significant risk of community exposure to HIV/AIDS, tuberculosis or malaria from mining-related activities, the following prevention and mitigation strategies shall be applied, as appropriate:

- a. In relation to HIV/AIDS, the operating company shall, at minimum:
 - i. Provide free, voluntary and confidential HIV testing and counseling for all mine workers and employees;
 - ii. Provide HIV/AIDS treatment for workers and employees where it cannot reasonably be assumed

Not relevant. There is no significant risk of community exposure to HIV/AIDS, tuberculosis, malaria, or another emerging infectious disease related to mining activities.

Stakeholders interviewed in the Salar consider that the exposure of the community to HIV/AIDS, tuberculosis, or malaria due to mining-related activities is not significant. Despite this, the company includes the detection of eventual cases in their community health surveillance programs. Although no specific evidence was provided regarding records of HIV and/or TB, the company indicated that specific studies are performed during the admission process and with the consent of the person.

that this will be provided in an effective manner by public or private insurance schemes at an affordable rate;

- iii. Provide access for contractors to education and other preventative programs, and to work with the operating company's or facility's contracting companies or others to identify ways for contract workers to access affordable treatment; and
 - iv. Work with public health authorities, communities, workers' organizations and other stakeholders towards ensuring universal access to treatment for dependents of mine workers/employees and affected community members.
- b. In relation to tuberculosis, the operating company shall, at minimum, provide free and voluntary testing for mine workers/employees where it is not reasonably likely to be provided by public or private health programs at an affordable rate.
- c. In relation to malaria, the operating company shall, at minimum:
- i. Develop a vector control plan;
 - ii. Ensure that company facilities are not breeding environments

for malaria-carrying mosquitoes;
and

- iii. Provide protection from infection by malaria-carrying mosquitoes in company facilities and any company-provided housing.

- 3.3.5.1. The operating company shall collaborate with relevant community members and stakeholders, including workers who live in affected communities and individuals or representatives of vulnerable groups, in:
- a. Scoping of community health and safety risks and impacts related to mining;
 - b. Assessment of significant community health and safety risks and impacts related to mining;
 - c. Development of prevention or mitigation strategies;
 - d. Collection of any data needed to inform the health risk and impact assessment process; and
 - e. Design and implementation of community health and safety monitoring programs.



The evidence reviewed includes a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021) made with the support of the Fundación Eco Conciencia, where all representatives of the communities within the department (Antofalla, Antofagasta de la Sierra, Los Nacimientos, Ciénaga Redonda, El Peñón, and unincorporated inhabitants of the Salar de Hombre Muerto) are invited to present their questions and concerns related to (a) scoping of community health and safety risks and impacts, and (b) assessment of significant health and safety risks and impacts related to mining. Some of these communities are remote and distant from the mining activities therefore no direct impact by the mining activities is observed. The communities with their respective distance to the mine include:

- El Peñón – 111 km
- Antofalla – 97 km
- Antofagasta de la Sierra – 90 km.
- Los Nacimientos – 85 km.
- Ciénaga Redonda – 32 km.
- Scattered households – 6 km

Representatives of the government and the company also participate in the roundtables and provide answers to the stakeholders' concerns as applicable.

		<p>Interviews with a sample of key staff (community outreach and licensed medical caregivers) and stakeholders indicate that the company collaborates to prevent or mitigate health and safety risks unrelated to mining as in (a) scoping, (b) assessment, (c) mitigation, and (d) the collection of data needed to inform the health risk assessment process such as medical support, including preventative care, among those the most vulnerable.</p> <p>The evidence does not indicate if collaboration activities include the topics mentioned in (e), other than what is provided upon stakeholder request or as routine community care for isolated households in the area around the mine.</p>
3.3.6.1.	The operating company shall make information on community health and safety risks and impacts and monitoring results publicly available.	<p>⊗</p> <p>Does not meet</p>
Chapter 3.4—Mining and Conflict-Affected or High-Risk Areas		Basis for rating
Chapter Not relevant	—	The evidence reviewed includes independent research, on-site observations, and interviews with a sample of stakeholders, and does not include any information to confirm the mining project is located in or sourcing minerals from a conflict-affected or high-risk area.
Chapter 3.5—Security Arrangements		Basis for rating
3.5.1.1.	The operating company shall adopt and make public a policy acknowledging a commitment to respect human rights in	<p>⊕</p> <p>The evidence reviewed includes a Human Rights Policy (2019) and a procedure for private security personnel (Surveillance Personnel Procedure, 2021), and indicates the company has a human rights</p>

its efforts to maintain the safety and security of its mining project; and a commitment that it will not provide support to public or private security forces that have been credibly implicated in the infringement of human rights, breaches of international humanitarian law or the excessive use of force.

policy that is publicly available, and a procedure prohibiting excessive use of force and firearms, including training for security personnel. The policy is guided by the Universal Declaration on Human Rights, The United Nations Global Compact Principles, and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

The evidence does not include a public policy regarding security and human rights, a commitment to not provide support to private security forces credibly implicated in the infringement of human rights, breaches of international humanitarian law or the excessive use of force; and the procedure does not explicitly commit the security contractor to respect human rights.

3.5.1.2. **Critical.** The operating company shall have a policy and procedures in place regarding the use of force and firearms that align with the best practices expressed in UN Basic Principles on the Use of Force and Firearms. At minimum, the company's procedures shall require that:

- a. Security personnel take all reasonable steps to exercise restraint and utilize non-violent means before resorting to the use of force;
- b. If force is used it shall not exceed what is strictly necessary, and shall be proportionate to the threat and appropriate to the situation; and
- c. Firearms shall only be used for the purpose of self-defense or the defense of others if there is an imminent threat of death or serious injury.

The evidence reviewed includes a procedure for private security personnel (Surveillance Personnel Procedure, 2021), and indicates the company has a policy and procedures relating to the use of force (a) – (c) that prohibits the use of firearms.

Interviews with a sample of security personnel confirm the company takes reasonable steps and does not resort to the use of force and firearms.

<p>3.5.1.3. If private security is used in relation to the mining project, the operating company shall have a signed contract with private security providers that at minimum:</p> <ul style="list-style-type: none"> a. Sets out agreed on principles that are consistent with the Voluntary Principles on Security and Human Rights and the operating company's procedures on the use of force and firearms; b. Delineates respective duties and obligations with respect to the provision of security in and around the mining project and, if relevant, along transport routes; and c. Outlines required training for security personnel. 	●	<p>The company uses private security. The evidence reviewed includes a contract between the company and the security provider (El Calchaqui Offer Letter, 2019), and indicates the company has a signed contract with security providers that delineates duties and obligations in and around the mining project and required training (b) and (c).</p> <p>The contract does not include specific language relating to the Voluntary Principles on Security and Human Rights (a).</p>
<p>3.5.1.4. If public security forces are used to provide security to the mining project and/or transport routes, the operating company shall make a good faith effort to sign a Memorandum of Understanding (MoU) or similar agreement with public security providers that includes similar provisions to those in 3.5.1.3.</p>	—	<p>Not relevant. The company does not use public security forces for the mining project or transport routes.</p>
<p>3.5.2.1. The operating company shall assess security risks and potential human rights impacts that may arise from security arrangements. Assessments of security-related risks and impacts shall be updated periodically, including, at minimum, when there are significant changes in mining-related activities,</p>	⊗	<p>Does not meet. The evidence reviewed includes a human rights policy, a risk assessment procedure (SY-PRC-003), and a risk matrix that is updated periodically (Human Rights Infringement Risk Assessment Matrix, December 2021), and indicates the company has developed a human rights risk assessment including risks related to a hostile or inhumane treatment or harassment. Risks are assessed annually and there are reporting channels in case of an event</p>

<p>security arrangements, or in the operating environment.</p>		<p>Interviews with a sample of workers, security providers and key staff indicate no complaints have been received related to mistreatment or abuse of force/authority by security service personnel towards employees or neighbors.</p> <p>While the company has considered human rights risks (refer to Chapter 1.3 of this report), and interviews with a sample of stakeholders and key staff do not provide evidence of human rights risks arising from security arrangements, the information provided does not confirm assessments of potential human rights risks to employees and communities related to security arrangements, are fully considered as outlined in international guidelines such as the IFC’s handbook on assessing and managing risks and impacts from the use of security forces (2017).</p>
<p>3.5.2.2. Assessments, which may be scaled to the size of the company and severity of security risks and potential human rights impacts, shall:</p> <ul style="list-style-type: none"> a. Follow a credible process/methodology; b. Be carried out and documented by competent professionals; and c. Draw on credible information obtained from a range of perspectives, including men, women, children (or their representatives) and other vulnerable groups, relevant stakeholders and expert advice. 	<p>⊗</p>	<p>Does not meet. The evidence does not include an assessment as in (a) to (c).</p>
<p>3.5.2.3. The scope of the security risk assessment shall include, but need not be limited to:</p>	<p>⊗</p>	<p>Does not meet. The evidence does not include a risk assessment aligned with (a) to (d).</p>

<ul style="list-style-type: none"> a. Identification of security risks to the company, workers and communities, paying particular attention to risks to women, children and other vulnerable groups; b. Analysis of the political and security context in the host country context (e.g., the human rights records of the government and public and private security forces; adherence to the rule of law; corruption); c. Analysis of current and potential conflicts or violence in the host country and affected communities; and d. Risks associated with equipment transfers. 		
<p>3.5.2.4. The operating company shall develop and implement a risk management plan that includes actions to be taken to prevent or mitigate identified risks, and monitoring that will be conducted to ensure that mitigation measures are effective.</p>	<p>⊗</p>	<p>Does not meet. The evidence does not include a risk management plan for security risks and potential human rights impacts that could stem from its security arrangements.</p>
<p>3.5.2.5. If the security risk assessment reveals the potential for conflicts between mine security providers and affected community members or workers, then the operating company shall collaborate with communities and/or workers to develop mitigation strategies that are culturally appropriate and that take into consideration the needs of women,</p>	<p>—</p>	<p>Not relevant. To date, no complaints have been received related to mistreatment or abuse of force/authority by security service personnel towards employees or neighbors.</p> <p>This requirement can be reevaluated once a security assessment is concluded and the potential for conflicts, if any, identified for cooperative work with communities and workers as indicated in IRMA Chapter 1.3.</p>

children and other vulnerable groups. If specific risks to human rights are identified in the assessment, the mitigation strategies shall conform with requirements in IRMA Chapter 1.3.

3.5.3.1. The operating company shall develop and implement due diligence procedures to prevent the hiring of company security personnel and private security providers who have been convicted of or credibly implicated in the infringement of human rights, breaches of international humanitarian law or the use of excessive force.



According to the company, security companies must comply with the decree 1002/99, and the Ministry of Internal Security of Argentina is the authority to assure that security companies comply with the decree, which establishes: no antecedents on human rights violation, psycho-physical health status, annual renewal of certification of no criminal record, and liability insurance. The company has a due diligence process to evaluate the antecedents of contractors and verify that the security company is authorized by the Ministry of Internal Security of Argentina.

The evidence does not include a written due diligence procedure or evidence of its implementation relating to the hiring of security personnel.

3.5.3.2. The operating company shall make a good faith effort to determine if public security personnel providing security to the mine have been convicted of or credibly implicated in the infringement of human rights, breaches of international humanitarian law or the use of excessive force.



Not relevant. The company does not use public security forces to provide security to the mine. The security company that currently provides services to the company is Seguridad Integral y Capacitación El Calchaqui.

3.5.4.1. Prior to deployment of company or private security personnel, the operating company shall provide training that incorporates, at minimum, information related to ethical conduct and respect for the human rights of mine workers



The evidence reviewed includes a procedure for private security personnel (Surveillance Personnel Procedure, 2021), describes in section 5.5 what training the security staff should receive, including ethical conduct, and respect for human rights with reference to vulnerable groups, along with appropriate use of force and firearms (initial and ongoing). The evidence, Training Record Surveillance

<p>and affected communities, with particular reference to vulnerable groups, and the company's policy on the appropriate use of force and firearms. Initial training and refresher courses shall be mandatory for all operating company personnel involved in security, and for private security contractors that have not received equivalent training from their employers.</p>		<p>(December 2021), indicates that security staff have received the training; and the Supplier Code of Conduct (2019) indicates that the training is shared with the security company.</p> <p>Interviews with a sample of security personnel and key staff indicate the training is up to date and is in line with best practices, including the appropriate use of force.</p>
<p>3.5.4.2. If public security forces are to be used, the operating company shall determine if public security personnel are provided with training on human rights and the appropriate use of force and firearms. If this training is not occurring, the company shall offer to facilitate training for public security personnel that provide mine-related security.</p>	—	<p>The company does not use public security forces to provide security to the mine. The security company that currently provides services to the company is Seguridad Integral y Capacitación El Calchaqui.</p>
<p>3.5.5.1. The operating company shall:</p> <ul style="list-style-type: none"> a. Develop and implement systems for documenting and investigating security incidents, including those involving impacts on human rights or the use of force; b. Take appropriate actions, including disciplinary measures, to prevent and deter abusive or unlawful acts by security personnel and acts that contravene the company's policies on rules of engagement, the use of 	●	<p>The evidence reviewed indicates the company has developed and implemented systems for managing potential security-related impacts:</p> <ul style="list-style-type: none"> a. The Cority incident tracking system includes security issues that are investigated until completely resolved. This system is part of the Incident and Accident Reporting and Investigation (2021), which is a procedure to report, investigate, and monitor corrective and preventive actions. If the incident is related to ethical conduct, commercial conduct, policies and internal regulation, documentation and investigation is developed through Navex System (Ethicspoint - Incident Management webpage). b. The evidence, Code of Ethics (2019), Supplier Code of Conduct (2019), Draft Contract with El Calchaqui (no date), Guidelines on

- force and firearms, human rights, and other relevant policies;
- c. Take appropriate actions to mitigate and provide remediation for human rights impacts (as per IRMA Chapter 1.3), injuries or fatalities caused by security providers;
- d. Report security incidents, including any credible allegations of human rights abuses by private or public security providers, to the competent authorities and national human rights institutions, and cooperate in any investigations or proceedings;
- e. Provide medical assistance to all injured persons, including offenders; and
- f. Ensure the safety of victims and those filing security-related allegations.

Entertaining, Reimbursing and Giving Gifts to Public Officials (2021), Human Rights Policy (2019), Sexual Harassment Prevention Policy (2019), states that ethical conduct must be observed by employees and suppliers (including El Calchaqui), in order to prevent and deter abusive or unlawful acts. The company assures the access to all these documents for employees and suppliers (through induction training that must be signed as an affidavit, yearly letter from Compliance Official, frequent trainings (online and on-site), and disclosure in common places). Besides, as indicated in section 3.5.2.5 there are mechanisms to attend claims and communication channels to report events against the company policies, which also helps to prevent and deter abusive or unlawful acts.

- c. The Cority system includes a section to develop specific actions to mitigate and provide remediation (including Due Date, Assigned To, Closure Date) for every specific incident. Through Ethicspoint, the company develops actions to mitigate and provide remediations with the assistance of an assigned lawyer adviser.
- d. Supplier Code of Conduct (2019): describes the principles of ethical conduct of the company. Section 4 describes the process for filing a complaint related to Ethical Code violations. The policy states that civil or criminal violations can be brought to justice but does not include language that the company will report and collaborate with competent authorities in the event of a security incident.
- e. Occupational Medicine, 2020: the document indicates that medical attention is only for employees (it is understood that security staff is included). The evidence also includes a record of all medical assistance including assistance given to members of the communities (Nursing Care, 2022). While the evidence does not specify medical assistance will be provided to offenders who may be injured in an action of security staff, the evidence includes numerous examples of the company providing medical assistance or collaborating to do the same with dignity when needed, including in the event of an emergency, and this is

		<p>supported by interviews with a sample of stakeholders, workers, including contractors and key staff.</p> <p>f. Supplier Code of Conduct (2019): describes the principles of ethical conduct of the company. Section 4 contains a paragraph about Confidentiality (of the identity of person filing a complaint or participating in an investigation), and a paragraph about Protection Against Retaliation. The company has a well-structured process to record and investigate ethical complaints, by means of: NAVEX system or through its complaint process. The Compliance Legal Counsel receives the complaints, meets with the Ethics Office, and determines if the Corporate Responsibility Committee should be involved with an investigation. With these policies and procedures, the company ensures the safety of victims and those filing security-related allegations.</p> <p>Interviews with a sample of workers and stakeholders and review of the medical log indicate no cases of inappropriate force inflicted on the community by the mine's security forces.</p>
<p>3.5.5.2. In the event of security-related incidents that result in injuries, fatalities or alleged human rights impacts on community members or workers, the company shall provide communities and/or workers with information on the incidents and any investigations that are underway, and shall consult with communities and/or workers to develop strategies to prevent the recurrence of similar incidents.</p>	<p>—</p>	<p>Not relevant as no security-related incidents that have resulted in injuries, fatalities or human rights abuses were reported.</p>
<p>3.5.6.1. If requested by a representative community structure, the operating company shall offer a briefing for community stakeholders on the</p>	<p>●</p>	<p>The company has not received any requests from a representative community structure on the company's procedures on the use of force and firearms. This was confirmed during an interview with the manager of security affairs. The company indicated that they would</p>

<p>company's procedures on the use of force and firearms.</p>		<p>offer a briefing for community stakeholders if requested. The evidence reviewed includes Information request form SG-PRC-007_F02 (October 2021) and Procedure on Information Provision SG-PRC-007 (revision 9, October 2021), and indicates that the company has systems in place to receive requests and provide information.</p>
<p>3.5.6.2. The operating company shall consult regularly with stakeholders, including host governments and affected communities, about the impact of their security arrangements on those communities; and shall report to stakeholders annually on the company's security arrangements and its efforts to manage security in a manner that respects human rights.</p>	<p>⊗</p>	<p>Does not meet.</p>
<p>3.5.6.3. Stakeholders shall have access to and be informed about a mechanism to raise and seek recourse for concerns or grievances related to mine security.</p>	<p>●</p>	<p>The evidence reviewed includes a Stakeholder Interaction procedure (2022), a Community Complaints and Concerns form (2022), a list of identified stakeholders (SG-PRC-007-F01, Stakeholder Identification, October 2021), a Record of Information Request form (2021), and a Community Grievance and Concerns Form (2022), indicating that the company has developed procedures and forms that can be used by stakeholders to raise and seek recourse for concerns or grievances regarding all issues including security-related issues. The evidence further indicates that the company offers other grievance mechanisms including an Ethics Response Phone Number, Text Messages, Person to Person (company staff – Human Resources / Legal Compliance / Community Relations / Governmental Relations), and hotline (webpage) with Navex system, to upload/submit any complaint. The mechanisms and information are shared with communities through roundtables, which are regular meetings to discuss several issues/topics. There are also other visits to neighbors for various</p>

		<p>reasons from departments of Community Relations and Governmental Relations, which allow company staff to explain/present the mechanisms to upload/submit any complaint.</p> <p>Interviews with a sample of stakeholders indicate a mix in awareness relating to the company's complaints and grievance process and how to use it, from no awareness to moderate and full awareness.</p>
<p>3.5.6.4. If public security forces are providing security for any aspect of the mining project, the operating company shall encourage host governments to permit making security arrangements, such as the purpose and nature of public security, transparent and accessible to the public, subject to any overriding safety and security concerns.</p>	<p>—</p>	<p>Not relevant; the company does not use public security forces to provide security for the mine or its transportation routes.</p>
<p>Chapter 3.6—Artisanal and Small-Scale Mining</p>		<p>Basis for rating</p>
<p>3.6.1.1. Chapter not relevant</p>	<p>—</p>	<p>Based on on-site observations and interviews, and the evidence reviewed, there is no indication that the mining project is located in an area where artisanal or small-scale mining is practiced.</p>

Chapter 3.7—Cultural Heritage

Basis for rating

3.7.1.1. Screening, assessment and the development and implementation of mitigation measures and procedures related to the management of cultural heritage shall be carried out by competent professionals.



The assessment and implementation of mitigation measures related to cultural heritage management are carried out by external consultants as indicated in the Environmental Impact Assessment (EIA) from 2002, September 2018 and the Update of the EIA from October 2018, and a report on the Archeology Environmental Control Program and Social Action and Compensation Plan (August 2020).

Interviews with managers of the designated and competent consultant company indicated that consultants, based in Catamarca, have developed a cultural heritage screening, assessment, and mitigation for the site, since 2015.

The evidence does not include professional qualifications (i.e., credentials, curriculum vitae) to confirm competency.

3.7.1.2. Screening, assessment and the development of mitigation measures and procedures related to the management of cultural heritage shall include consultations with relevant stakeholders.



The evidence reviewed includes sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March and August 2021), and the company's EIA (2002, Subcomponent Anthropology - Chapter 2). Evidence indicates the company has reached out to communities over time regarding culture, social, economics, and infrastructure (screening, assessment and mitigation related to the management of cultural heritage) to inform their decisions.

Interviews with a sample of stakeholders and key staff do not include details to confirm stakeholders were consulted on procedures relating to cultural heritage management.

3.7.1.3. Cultural heritage assessments, management plans and procedures shall be made available upon request to



The company has not received community stakeholders' requests for information. Interviews with a sample of key staff indicate that they would share information upon request. The evidence reviewed

<p>community stakeholders and other stakeholders who have been engaged with the mine site on cultural heritage issues.</p>		<p>includes Information request form SG-PRC-007_F02 (October 2021) and Procedure on Information Provision SG-PRC-007 (revision 9, October 2021), and indicates that the company has systems in place to receive requests and provide information.</p>
<p>3.7.2.1. Prior to the development of a new mine, or when there are significant changes to mining-related activities, the operating company shall undertake a screening process to identify risks and potential impacts to replicable, non-replicable and critical cultural heritage from the proposed mining-related activities.</p>	●	<p>Fenix is an existing mine that started production in 1997. The evidence reviewed includes the Environmental Impact Assessments (EIA) from 2002, EIA from September 2018, regarding the Los Patos River aqueduct, and Update of the Environmental Impact Report (October 2018) regarding the expansion of production capacity, which provides information to confirm that the company undertakes screening to identify risks and potential impacts on cultural heritage whenever there are significant changes to the project.</p>
<p>3.7.2.2. If the screening indicates the potential for replicable, non-replicable or critical cultural heritage to be encountered during mining-related activities, the operating company shall assess the nature and scale of the potential impacts and propose mitigation measures to avoid, minimize, restore or compensate for adverse impacts. Mitigation measures shall be consistent with the requirements below (see criteria 3.7.3, 3.7.4, 3.7.5 and 3.7.6), based on the type of cultural heritage likely to be affected.</p>	●	<p>The evidence reviewed includes an agreement between the company and the Provincial Directorate of Anthropology of Catamarca (May 2021) indicating that the company aims to avoid and/or mitigate any impacts on archaeological heritage that is identified within the scope of its project development. The report on the Archeology Environmental Control Program and Social Action and Compensation Plan (August 2020, Chapter 8) includes a list of impact prevention and mitigation measures commensurate with the type of cultural heritage.</p> <p>The EIAs (September 2018, Chapter 3, pages 429 - 431 and October 2018, Chapter 2, pages 290 - 295) include a detailed screening of cultural heritage. The assessments conclude that there will be no mining-related impact on the identified cultural heritage.</p>
<p>3.7.3.1. When tangible replicable cultural heritage that is not critical is encountered during mining-related activities the operating company shall apply mitigation measures that favor</p>	—	<p>Not relevant. There are no predicted impacts on non-critical tangible replicable cultural heritage encountered during mining-related activities (EIAs, September 2018, Chapter 3, page 429 and October 2018, Chapter 2, page- 294). The procedures for treating tangible nonreplicable cultural heritage are shown in the Methods</p>

avoidance. Where avoidance is not feasible, the following mitigation hierarchy shall apply:

- a. Minimize adverse impacts and implement restoration measures, in situ, that ensure maintenance of the value and functionality of the cultural heritage, including maintaining or restoring any ecosystem processes needed to support it;
- b. Where restoration in situ is not possible, restore the functionality of the cultural heritage, in a different location, including the ecosystem processes needed to support it;
- c. Where restoring the functionality of the cultural heritage in a different location is not feasible, permanently remove historical and archeological artifacts and structures; and
- d. Where affected communities are using the tangible cultural heritage for long-standing cultural purposes compensate for loss of that tangible cultural heritage.

of Compensation Plan and Environmental and Social Impact Study of The Fenix Project (2002).

3.7.3.2. All mitigation work involving tangible replicable cultural heritage shall be carried out and documented by competent professionals, using internationally recognized practices for the protection of cultural heritage.

Not relevant. See 3.7.3.1.

<p>3.7.4.1. The operating company shall not remove any tangible nonreplicable cultural heritage, unless all of the following conditions are met:</p> <ul style="list-style-type: none"> a. The overall benefits of the mining project conclusively outweigh the anticipated cultural heritage loss from removal; and b. Any removal of cultural heritage is conducted using the best available technique. 	<p>—</p>	<p>Not relevant. There are no predicted impacts on tangible non-replicable cultural heritage encountered during mining related activities (EIAs, September 2018, Chapter 3, page 429 and October 2018, Chapter 2, page- 294).</p>
<p>3.7.4.2. All mitigation work involving tangible non-replicable cultural heritage shall be carried out and documented by competent professionals, using internationally recognized practices for the protection of cultural heritage.</p>	<p>—</p>	<p>Not relevant. See 3.7.4.1.</p>
<p>3.7.5.1. Except under exceptional circumstances, the operating company shall not remove, significantly alter, or damage critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are unavoidable, the operating company shall:</p> <ul style="list-style-type: none"> a. Retain external experts to assist in the assessment and protection of critical cultural heritage, and use internationally recognized practices for the protection of cultural heritage; and 	<p>—</p>	<p>Not relevant. There are no indications of critical cultural heritage being present. (EIAs, 2002, September 2018, Chapter 3, page 429 and October 2018, Chapter 2, page- 294).</p>

- b. Collaborate with affected communities to negotiate measures to protect critical cultural heritage and provide equitable outcomes for affected communities, and document the mutually accepted negotiation process and outcomes. (Note: Where impacts may occur to Indigenous peoples' critical cultural heritage, negotiation shall take place through the Free, Prior and Informed Consent process outlined in IRMA Chapter 2.2 unless otherwise specified by the Indigenous peoples).

- 3.7.5.2. When a new mine is proposed within a legally protected cultural heritage area, including areas proposed by host governments for such designation, or a legally defined protected area buffer zone, the operating company shall:
- a. Comply with the requirement 3.7.5.1;
 - b. Comply with the protected area's management plan;
 - c. Consult with agencies or bodies responsible for protected area governance and management, local communities and other key stakeholders on the proposed mining project; and
 - d. Implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.

Not relevant. Fenix is an existing mine with a planned expansion in process at the time of the onsite audit and the evidence indicates the mine is not located within a legally protected cultural heritage area, including areas proposed by host governments for such designation, or a legally defined protected area buffer zone. .

3.7.5.3. IRMA will not certify new mines that are developed in or that adversely affect the following protected areas if those areas were designated to protect cultural values (See also Chapter 4.6).

- World Heritage Sites, and areas on a State Party's official Tentative List for World Heritage Site Inscription;
- International Union for Conservation of Nature (IUCN) protected area management categories I-III;
- Core areas of UNESCO biosphere reserves.

Not relevant. The evidence indicates the existing mine is not located entirely or partially in a protected area listed in 3.7.5.3

—

3.7.5.4. An existing mine located entirely or partially in a protected area listed in 3.7.5.3 shall demonstrate that:

- a. The mine was developed prior to the area's official designation;
- b. Management plans have been developed and are being implemented to ensure that activities during the remaining mine lifecycle will not permanently and materially damage the integrity of the cultural values for which the area was designated or recognized; and
- c. The operating company collaborates with relevant management authorities to integrate the mine's management strategies into the protected area's management plan.

Not relevant. The evidence indicates the existing mine is not located entirely or partially in a protected area listed in 3.7.5.3

—

<p>3.7.5.5. To safeguard irreplaceable cultural heritage and respect Indigenous peoples' right to self-determination, the operating company shall not carry out new exploration or develop new mines in areas where Indigenous peoples are known to live in voluntary isolation.</p>	<p>—</p>	<p>Not relevant. The company has not undertaken any exploration or developed mines in areas where Indigenous people are known to live in voluntary isolation.</p>
<p>3.7.6.1. Where the operating company proposes to use the intangible cultural heritage, including knowledge, innovations or practices of local communities for commercial purposes, the company shall inform these communities of their rights under national and international law, of the scope and nature of the proposed commercial development, and of the potential consequences of such development.</p>	<p>—</p>	<p>Not relevant. The evidence does not show that the company is using or proposing to use intangible cultural heritage for commercial uses.</p>
<p>3.7.6.2. The operating company shall not proceed with such commercialization unless it:</p> <ul style="list-style-type: none"> a. Collaborates with affected communities using a good faith negotiation process that results in a documented outcome; and b. Provides for fair and equitable sharing of benefits from commercialization of such knowledge, innovation, or practice, consistent with local customs and traditions. 	<p>—</p>	<p>Not relevant. The evidence does not show that the company is using or proposing to use intangible cultural heritage for commercial uses.</p>

<p>3.7.6.3. Where the operating company proposes to use Indigenous peoples' cultural heritage for commercial uses, negotiation shall take place through the Free, Prior and Informed Consent process outlined in IRMA Chapter 2.2 unless otherwise specified by the Indigenous peoples.</p>	<p>—</p>	<p>Not relevant. The evidence does not show that the company is using or proposing to use Indigenous cultural heritage for commercial uses.</p>
<p>3.7.7.1. A cultural heritage management plan or its equivalent shall be developed that outlines the actions and mitigation measures to be implemented to protect cultural heritage.</p>	<p>●</p>	<p>The evidence reviewed includes the Environmental Control Plan for Archaeology and Social Action (first developed 2010, updated in 2015), and a report on the Archeology Environmental Control Program and Social Action and Compensation Plan (August 2020) and indicates the company has developed a cultural heritage management plan including mitigation measures, which is implemented.</p>
<p>3.7.7.2. If a new or existing mine is in an area where cultural heritage is expected to be found, the operating company shall develop procedures for:</p> <ul style="list-style-type: none"> a. Managing chance finds, including, at minimum, a requirement that employees or contractors shall not further disturb any chance find until an evaluation by competent professionals is made and actions consistent with the requirements of this chapter are developed; b. Managing potential impacts to c. Allowing continued access to cultural sites, subject to consultations with affected communities and overriding health, 	<p>●</p>	<p>The evidence reviewed includes the Measurement Plan – Project Fenix (2002), and indicates the company has developed procedures aligned with letters sub-requirements b, c, and d for cultural heritage finds by:</p> <ul style="list-style-type: none"> a. Managing potential impacts on cultural heritage from contractors and visitors; and b. Allowing continued access to cultural sites. c. The evidence provided by the company indicates that there is no presence or affectation of Indigenous people's cultural heritage. d. The evidence does not indicate that the company has developed a management plan for chance finds as listed in item (a).

- safety, and security considerations;
and
- d. If the mining project affects Indigenous peoples' cultural heritage, the operating company shall collaborate with Indigenous peoples to determine procedures related to the sharing of information related to cultural heritage.

3.7.7.3. The operating company shall ensure that relevant employees receive training with respect to cultural awareness, cultural heritage site recognition and care, and company procedures for cultural heritage management.



Does not meet. The evidence reviewed includes the Environmental Control Plan for Archaeology and Social Action (2015). Evidence reviewed indicates the company plans to train all new personnel on cultural heritage procedures.

Interviews with a sample of employees indicate a lack of cultural heritage awareness and cultural heritage site recognition and care measures aligned with the company's procedures for cultural heritage management.

The evidence does not include documentation, such as training records, to confirm the company has trained its workers and contractors on cultural awareness, cultural heritage site recognition and care, and the company's procedures cultural heritage management.

Principle 4: Environmental Responsibility

RATING LEGEND
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant
	Not scored
	Pending

Chapter 4.1—Waste and Materials Management

Basis for rating

4.1.1.1. The operating company shall develop a policy for managing waste materials and mine waste facilities in a manner that eliminates, if practicable, and otherwise minimizes risks to human health, safety, the environment and communities.



The evidence reviewed includes a global environmental, health and safety policy on its web page, and Industrial, Residential, and Hazardous Waste Management Plan (MA-PRC-013 January 2022) and indicates the company has a waste management policy and plan to minimize risk (https://livent.com/wp-content/uploads/2021/09/Livent-EHS-Policy_English_9.28.21).

The policy includes a statement (page 5) that commits the company to minimize any risks to humans and the environment by adopting and maintaining proper waste management practices, to minimize waste production through recycling and the re-use of existing materials, and to comply with applicable legislation and good practices. The management plan covers all waste and

effluents generated on site, and this was confirmed through on-site observations and interviews with key staff.

- 4.1.1.2. The operating company shall demonstrate its commitment to the effective implementation of the policy by, at minimum:
- a. Having the policy approved by senior management and endorsed at the Director/Governance level of the company;
 - b. Communicating the policy to employees.
 - c. Having a process in place to ensure that relevant employees understand the policy to a degree appropriate to their level of responsibility and function, and that they have the competencies necessary to fulfill their responsibilities.
 - d. Having procedures and/or protocols in place to implement the policy; and
 - e. Allocating a sufficient budget to enable the effective implementation of the policy.

The evidence reviewed includes environmental control plans, waste management reports (January and May 2021), and interviews with a sample of workers, including contractors, and key staff, and indicates that the company has implemented a robust waste management program at the operating level. Policy commitment to effective implementation was demonstrated through employee interviews (indicating awareness of waste management procedures), as well as:

- a. The EHS policy is approved by the CEO of the company as displayed on the web page (see 4.1.1.1). The company's Industrial, Residential, and Hazardous Waste Management Plan (MA-PRC-013, January 2022; see 4.1.1.1) covers Arcadium Lithium's production sites in Argentina and is signed by the director of operations and the EHSQ Manager.
- b. The company communicates provides all new staff with an induction that includes the policy for waste management. The policy is available to all employees on the company's intranet. Employees confirmed during interviews that they are aware of the policy.
- c. The company trains the workforce and contractors in the waste material management procedure (MA-PRC-013), and it is conducted by the environmental department staff. The evidence includes records, training materials and lists of participants. Interviewees confirmed that competent personnel carry out the activities.
- d. Arcadium Lithium has procedures and programs related to waste management that include segregation, conditioning, storage, transport, and final disposal in compliance with legal regulations:
 - Solid waste management
 - Waste management for contractors
 - Industrial, nonhazardous, and hazardous waste management

		<ul style="list-style-type: none"> · Waste Effluents and gas emissions · Waste, effluents, and gas emissions master list (2020) <p>e. The evidence includes images of the budget for the expenses of the Environmental Department and the budget for actual legacy waste for 2022 and 2023 indicating that the company has allocated a budget for the waste management tasks.</p>
<p>4.1.2.1. The operating company shall:</p> <ol style="list-style-type: none"> a. Identify all materials, substances and wastes (other than mine wastes) associated with the mining project that have the potential to cause impacts on human health, safety, the environment or communities; and b. Document and implement procedures for the safe transport, handling, storage and disposal of those materials, substances and wastes. 	●	<p>The evidence reviewed indicates the company has:</p> <ol style="list-style-type: none"> a. identified all materials, substances and wastes related to the mining project (waste, effluents, and gas emissions master list, 2020), and b. documented and implemented procedures for the transportation, handling, storage and disposal of potentially hazardous materials, substances, and wastes, which are also included in the emergency response plan (Transport, Handling and Storage of Hazardous Substances, 2015), and this was confirmed through observations and interviews with key staff and workers at the time of the site visit.
<p>4.1.3.1. The operating company shall identify all existing and/or proposed mine waste facilities that have the potential to be associated with waste discharges or incidents, including catastrophic failures, that could lead to impacts on human health, safety, the environment or communities.</p>	●	<p>The company has identified all waste facilities that have the potential to be associated with waste discharges or incidents as indicated in EIA, Chapter 4, page 525 (2018) which presents that the project does not have a direct impact on community health and life, but does pose risks to the environment, such as modification of topography and potential of soil contamination. The evidence further indicates that impacts on human health, safety, the environment, or communities from its waste facility are considered negligible (page 472).</p>
<p>4.1.3.2. The operating company shall perform a detailed characterization for each mine waste facility that has associated</p>	●	<p>The guidance provided by IRMA on the scope of chapter 4.1 for lithium operation states that mine wastes include brines or process solutions from which minerals are/have been extracted, salts, residues, or other materials that are not recovered as a valued</p>

chemical risks. Characterization shall include:

- a. A detailed description of the facility that includes geology, hydrogeology and hydrology, climate change projections, and all potential sources of mining impacted water (MIW);
- b. Source material characterization using industry best practice to determine potential for acid rock drainage (ARD) or metals leaching (ML). This shall include:
 - i. Analysis of petrology, mineralogy, and mineralization;
 - ii. Identification of geochemical test units;
 - iii. Estimation of an appropriate number of samples for each geochemical test unit; and
 - iv. Performance of comprehensive geochemical testing on all samples from each geochemical test unit.
- c. A conceptual model that describes what is known about release, transport and fate of contaminants and includes all sources, pathways, and receptors for each facility
- d. Water balance and chemistry mass balance models for each facility; and
- e. Identification of contaminants of concern for the facility/source materials, and the potential resources at risk from those contaminants.

commodity. Furthermore, it establishes that mine waste facilities include ponds, tanks, or other facilities containing mine wastes, including brines, salts, residues, or process solutions from which minerals are extracted. (IRMA Standard 1.0 - Guidance Document 1.2 - June 2023)

The Fenix Lithium Mine's waste facilities consist of an equalization pond, an artificial lagoon, a barium sulfate pit, and a Chlorine Lithium Aluminum (CLA) and Gibbsite pit. The equalization pond receives spent brine from the Fenix process plant, including some CLA and Gibbsite, and potassium chloride recovered from the Güemes processing plant. Barium sulfate, CLA, and Gibbsite are solid by-products from the process plant, are classified as inert and non-hazardous, and are disposed of in pits that are covered with soil as indicated in the List of Waste, Effluents and Gas Emissions (MA-PRC-017, August 2020). The evidence, including the EIA for the Fenix Expansion (October 2018), the Mine Closure Plan (May 2018), a List of Waste, Effluents, and Gas Emissions (MA-PRC-017, August 2020), and an Annual Report on the Environmental Control Program of Plant Effluents (January 2021), indicate that the company has:

- a. A conceptual model that describes the natural interaction between the Trapiche Aquifer System (water source) and the Salar del Hombre Muerto Aquifer System (fresh brine source) used in the company's operation, including geology, hydrogeology, water levels, brine levels, hydro geochemistry, water recharge processes, and the interaction between the operative variables and the natural system (Conceptual Model of the Trapiche Aquifer System, June 2015). The evidence indicates that the brine naturally has elevated levels of Boron, Calcium, Magnesium, Sodium, Potassium, Lithium, Sulfates, and Chlorides, among others, is classified as ecotoxic and exceeds legal requirements for water discharge into freshwater bodies as described in Resolution S.A y A. 65/05. The company uses the background values obtained from the fresh brine as quality criteria for its effluent.

- b. Chemical characterization of brine and spent brine (Environmental Control Program: Plant Effluents, April 2021) indicating that the spent brine is within the company's set quality limits for lithium content, pH, and solids content. The company also samples the water quality of brine at control points in the artificial lagoon, where pH limits are established according to the natural characteristics of the brine reservoir. The Annual Report on the Environmental Control Program of Plant Effluents (January 2021) indicates that the spent brine and the brine in the artificial lagoon are within the established water quality limits.
- c. A conceptual model that describes what is known about the release, transport, and fate of the spent brine and includes all sources, pathways, and receptors for each facility. The operation's spent brine is sent to an artificial lagoon, where most of the brine evaporates and some of it seeps into the ground to its source, which is the Salar del Hombre Muerto aquifer system, and both the fresh brine and the spent brine are analyzed to monitor its chemical components.
- d. Water balance models for the Trapiche aquifer (water source) and brine balance models for the Salar del Hombre Muerto aquifer (brine source), both consider production rates, evaporation rates, precipitation, wind, humidity, and temperature (EIA, October 2018). Monitoring of the chemical composition of fresh brine every month (PCA - Trapiche Water System - Water Quality, November 2015) and spent brine daily (PCA - Plant Effluents, 2016) and analysis of quality and quantity trends indicate that the company has a good understanding of its water balances and changes in chemical composition of fresh and spent brine.
- e. Carried out a detailed analysis of the spent brine quality according to all the physico-chemical variables of the fresh brine and substances involved in the process, and the potential resources at risk from those contaminants, which in this case is the Trapiche aquifer, as indicated in the Annual Report on the Environmental Control Plan for Plant Effluents (January 2021).

- 4.1.3.3. The operating company shall identify the potential physical risks related to tailings storage facilities and all other mine waste facilities where the potential exists for catastrophic failure resulting in impacts on human health, safety, the environment or communities. Evaluations shall be informed by the following:
- a. Detailed engineering reports, including site investigations, seepage and stability analyses;
 - b. Independent technical review (See criteria 4.1.6)
 - c. Facility classification based on risk level or consequence of a failure, and size of the structure/impoundment;
 - d. Descriptions of facility design criteria;
 - e. Design report(s);
 - f. Short-term and long-term placement plans and schedule for tailings and waste rock or other facilities subject to stability concerns;
 - g. Master tailings placement plan (based on life of mine);
 - h. Internal and external inspection reports and audits, including, if applicable, an annual dam safety inspection report;
 - i. Facility water balances (See also 4.1.3.2.d); and

Not relevant. The notes provided by IRMA on this requirement indicate that facilities with the potential for catastrophic failure resulting in impacts on human health, safety, the environment, or communities usually comprise facilities that are large enough to pose potential physical risk such as tailings dams, tailings impoundments, waste rock piles and heap leach facilities.

The mine does not have a tailings storage facility or any other mine waste facility where a potential for catastrophic failure resulting in impacts on human health, safety, the environment, or communities exists. The mine's waste facilities consist of an equalization pond, an artificial lagoon, a barium sulfate pit, and a Chlorine Lithium Aluminum (CLA) and Gibbsite pit. The equalization pond receives spent brine from the Fenix process plant, including some CLA and Gibbsite, and potassium chloride recovered from the Güemes processing plant. The spent brine's chemical composition is maintained to match the composition of fresh brine, except for lithium content which is lower for the spent brine (PCA - Plant Effluents, November 2016), and is then pumped to the artificial lagoon. Barium sulfate, CLA, and Gibbsite are solid by-products from the process plant, are classified as inert and non-hazardous, and are disposed of in pits that are lined at the bottom and covered with soil as indicated in the List of Waste, Effluents, and Gas Emissions (MA-PRC-017, August 2020).

j. Dam breach inundation (if applicable) and waste rock dump runoff analyses.

4.1.3.4. Facility characterizations shall be updated periodically to inform waste management and reclamation decisions throughout the mine life cycle.

The Environmental Impact Report (October 2018) includes information about the planned expansion of the operation's production capacity. This expansion will result in the artificial lagoon receiving twice the amount of spent brine than it currently does (as detailed in Chapter 2.4.2). The updated characterization of the lagoon is based on projected volumes of spent brine discharge and historical data from 1995 to 2013, which includes information on evaporation rates, precipitation, wind, humidity, and temperature. The purpose of this assessment is to anticipate the future behavior of the artificial lagoon, particularly any risks of overflowing that could lead to unintended effluent discharges into the Catal Lagoon located in the northeast. Furthermore, the Mine Closure Plan, published in May 2018, states that the reclamation plan for the equalization pond and the artificial lagoon will only be finalized after the waste discharge system has been shut down and its behavior evaluated (as mentioned in Chapter 7.5) indicating that reclamation decisions are updated throughout the mine life cycle.

4.1.3.5. Use of predictive tools and models for mine waste facility characterization shall be consistent with current industry best practice and shall be continually revised and updated over the life of the mine as site characterization data and operational monitoring data are collected.

The evidence reviewed includes a numerical model (Integral Consulting, 2018), which indicates that it is an update to an initial numerical model developed in 2015 (not provided) that quantifies effects of groundwater pumping and surface water capture on groundwater levels and total dissolved solids concentrations of the Trapiche Aquifer, but which does not yet take into account brine infiltration from the spent brine lagoon. The most recent numerical model (Integral Consulting, 2022) uses updated information on hydrology and hydrogeology for the basins and aquifers surrounding the operation (Trapiche, Salar de Hombre Muerto, Los Patos River) as well as considers spent brine infiltration rates to estimate the impact of the planned mine expansion on the water levels using updated and predicted production rates. The evidence indicates that the company utilizes predictive tools and models that

are updated over the mine's life cycle and are aligned with industry best practices.

4.1.4.1. **Critical.** A risk-based approach to mine waste assessment and management shall be implemented that includes:

- a. Identification of potential chemical risks (see 4.1.3.2.e) and physical risks (see 4.1.3.3) during the project conception and planning phase of the mine life cycle;
- b. A rigorous risk assessment to evaluate the potential impacts of mine waste facilities on health, safety, environment and communities early in the life cycle;
- c. Updating of risk assessments at a frequency commensurate with each facility's risk profile, over the course of the facility's life cycle; and
- d. Documented risk assessment reports, updated when risks assessments are revised (as per 4.1.4.1.c).

The evidence reviewed indicates that the company utilizes a risk-based approach to managing its waste facilities, by:

- a. Identifying potential chemical and physical risks of the equalization pond and the spent brine (Environmental Control Program: Plant Effluents, April 2021);
- b. Assessing risks to the environment and communities posed by the waste facility. The EIA from 2018 (Chapter 4, page 525) indicates that the project does not have a direct impact on community health and life, but poses risks to the environment, such as modification of topography and potential of soil contamination.
- c. Updating risk assessments over time as indicated by the version history of the Matrix of Environmental Aspects and Impacts (revision 4, updated May 2022, former version March 2022), that investigates the potential environmental impacts of the evaporation and equalization ponds. The Procedure on Identification and Evaluation of Environmental Aspects (July 2022) indicates that reviews are planned annually and whenever operations change, complaints are received, or audit recommendations are made.
- d. Updating its documented risk assessments, as indicated by the most recent risk matrix for the equalization pond (Matrix of Environmental Aspects and Impacts, last updated May 2022) which is updated frequently and includes information from the most recent project expansion (EIA, October 2018).

4.1.4.2. The operating company shall carry out and document an alternatives assessment to inform mine waste facility siting and selection of waste

The operation started in 1997, and the evidence reviewed (EIA, 2002 and 2018) indicates that the location of equalization ponds has not changed since they were first commissioned. The rationale provided by the company states that topography is the main factor in the selection of the equalization pond siting. Water naturally

management practices. The assessment shall:

- a. Identify minimum specifications and performance objectives for facility performance throughout the mine life cycle, including mine closure objectives and post-closure land and water uses;
- b. Identify possible alternatives for siting and managing mine wastes, avoiding a priori judgements about the alternatives;
- c. Carry out a screening or “fatal flaw” analysis to eliminate alternatives that fail to meet minimum specifications;
- d. Assess remaining alternatives using a rigorous, transparent decision-making tool such as Multiple Accounts Analysis (MAA) or its equivalent, which takes into account environmental, technical, socio-economic and project economics considerations, inclusive of risk levels and hazard evaluations, associated with each alternative;
- e. Include a sensitivity analysis to reduce potential that biases will influence the selection of final site locations and waste management practices; and
- f. Be repeated, as necessary, throughout the mine life cycle (e.g., if there is a mine expansion or a lease

flows into the artificial lagoon because the lagoon sits at the lowest point of the Salar, and gravity directs water into that basin. The evidence includes a checklist to evaluate the appropriateness of facility siting at the operation (SP_PRC_002_F10, revision 7, June 2017). This checklist indicates that the company has a documented procedure in place to evaluate potential risks and impacts on human health, safety, and the environment during the evaluation of facility siting including risk of explosion, exposure to hazardous chemicals, flooding, risk of earthquakes, etc.

The evidence does not include documentation of the siting rationale and alternatives assessment for its equalization ponds from before they became operative.

extension that will affect mine waste management).

4.1.5.1. **Critical.** Mine waste facility design and mitigation of identified risks shall be consistent with best available technologies (BAT) and best available/applicable practices (BAP).

There are not yet any defined BAT/BAP in the industry for spent lithium brine, and further studies are needed to determine these. While some literature suggests that evaporation of fresh brine and the injection of spent brine has the potential to alter the water availability and quality around the site possibly, impacting local flora, fauna and communities, the company provided a third-party report on the Produced Water Infiltration at Project Fenix, Salar del Hombre Muerto (Integral Consulting, October 2022, page 9), which includes a justification for why it considers its design and mitigation approaches to be aligned with general BAT/BAP. The report states: "The produced water quality is similar to the brine beneath the artificial lagoon and is compatible with the natural system. The practice of applying produced water to the land surface allows water (brine) levels in the reservoir to remain higher than if produced water were managed differently. Maintaining brine levels closer to predevelopment levels reduces the time required for the brine-aquifer system to recover in the period after mining ceases. The artificial lagoon where produced brine is infiltrated into the Salar is located in an area where mixing between fresh groundwater and brine occurred naturally, prior to development. Land application of produced water does not require nearly as much energy as alternative methods and maintenance is minimal."

Even though there are no commonly agreed to BAT/BAP for lithium brine, the evidence indicates that the company's mine waste facility design and risk mitigation result in a low risk of negative impacts compared to alternative waste management methods.

4.1.5.2. Mitigation of chemical risks related to mine waste facilities shall align with the mitigation hierarchy as follows:

The evidence reviewed indicates that the company follows the mitigation hierarchy to reduce any chemical risks related to mine waste:

- a. The company uses lime to neutralize acidity of the spent brine before it goes into the equalization pond as described in the

- a. Priority shall be given to source control measures to prevent generation of contaminants;
- b. Where source control measures are not practicable or effective, migration control measures shall be implemented to prevent or minimize the movement of contaminants to where they can cause harm; and
- c. If necessary, MIW shall be captured and treated to remove contaminants before water is returned to the environment or used for other purposes.

Standard Operating Procedure for Plant Effluents (August 2022), a Standard Operating Procedure for Solid Wastes (May 2017), and a List of Waste, Effluents, and Gas Emissions (MA-PRC-017, August 2020). The company has a documented maintenance program as indicated by the Environmental Control Plan for Plant Effluents (2010, updated 2016, pages 4-7), the Standard Operating Procedure for Plant Effluents (August 2022), and the Standard Operating Procedure on Equalization Pond Cleaning (PL-ARO-014, July 2022), that includes routine, predictive and event-driven maintenance to ensure that all relevant parameters such as the integrity of the equalization pond's berm, pipes and the accuracy of the instrumentation are maintained in accordance with performance criteria, company standards, host country law and sound operating practices. The documents also describe how to clean the equalization pond if too many solids accumulate so that its capacity is maintained, and overflowing prevented. Any waste disposal pits associated with the site are lined with impermeable material (EIA 2018, Chapter 4, page 519).

- b. and c. The Annual Report for 2020 and two 3-month Reports on the Environmental Control Program of Plant Effluents (January and April 2021) indicate that there have been no exceedances of performance criteria and that performance objectives are achieved. There is no evidence indicating that the company's waste management has resulted in any contamination.

- 4.1.5.3. For high consequence rated mine waste facilities, a critical controls framework shall be developed that aligns with a generally accepted industry framework, such as, for example, the process outlined in Mining Association of Canada's Tailings Management Guide.

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Not relevant. The company developed the physical risk assessment as required by 4.1.3.3 demonstrating that the mine waste facilities does not present a credible risk of catastrophic failure that could result in significant impact on human health, safety the environment or communities.

4.1.5.4. Mine waste management strategies shall be developed in an interdisciplinary and interdepartmental manner and be informed by site-specific characteristics, modeling and other relevant information.



The company's mine waste management strategies are informed by site-specific characteristics (EIA, 2002 and 2018), and several modeling exercises including a conceptual model (Conhidro, June 2015), a mathematical model (PCA soils and aquifer (brine), November 2017), and a numerical model (Integral Consulting, 2022).

The evidence does not include detail to confirm that the waste management procedures were developed in an interdisciplinary and interdepartmental manner.

4.1.5.5. The operating company shall develop an Operation, Maintenance and Surveillance (OMS) manual (or its equivalent) aligned with the performance objectives, risk management strategies, critical controls and closure plan for the facility, that includes:

- a. An operations plan that documents practices that will be used to transport and contain wastes, and, if applicable, effluents, residues, and process waters, including recycling of process waters;
- b. A documented maintenance program that includes routine, predictive and event-driven maintenance to ensure that all relevant parameters (e.g., all civil, mechanical, electrical and instrumentation components of a mine waste facility) are maintained in accordance with performance criteria, company standards, host country law and sound operating practices;



The company has developed several documents, including environmental control plans and standard operating procedures that describe the operation, maintenance and surveillance of its mine waste and mine waste facilities. These documents include:

- a. A Standard Operating Procedure for Plant Effluents (August 2022), a Standard Operating Procedure for Solid Wastes (May 2017), and a List of Waste, Effluents, and Gas Emissions (MA-PRC-017, August 2020), that document practices that are used to transport and contain wastes, effluents, residues, and process waters.
- b. A documented maintenance program as indicated by the Environmental Control Plan for Plant Effluents (2010, updated 2016, pages 4-7), the Standard Operating Procedure for Plant Effluents (August 2022), and the Standard Operating Procedure on Equalization Pond Cleaning (PL-ARO-014, July 2022), that includes routine, predictive and event-driven maintenance to ensure that all relevant parameters such as the integrity of the equalization pond's berm, pipes and the accuracy of the instrumentation are maintained in accordance with performance criteria, company standards, host country law and sound operating practices. The documents also describe how to clean the equalization pond if too many solids accumulate so that its capacity is maintained, and overfilling prevented.
- c. A surveillance program that, as indicated in the Environmental Control Plan for Plant Effluents (2010, updated 2016, pages 2, 3, and 7), addresses the surveillance needs associated with the risk

- c. A surveillance program that addresses surveillance needs associated with the risk management plan and critical controls management, and includes inspection and monitoring of the operation, physical and chemical integrity and stability, and safety of mine waste facilities, and a qualitative and quantitative comparison of actual to expected behavior of each facility;
- d. Documentation of facility-specific performance measures as indicators of effectiveness of mine waste management actions; and
- e. Documentation of risk controls and critical controls (see also 4.1.5.3), associated performance criteria and indicators, and descriptions of pre-defined actions to be taken if performance criteria are not met or control is lost.

- d. Documentation of facility-specific performance measures as indicators of effectiveness of mine waste management actions as outlined in the Environmental Control Plan for Plant Effluents (2010, updated 2016, page 4), the Environmental Standards for the SA and Sorbent Plants (MA-STD-002, Revision 14, October 2015) and the Standard Operating Procedure for Plant Effluents (August 2022).
- e. Documentation of risk controls and critical controls (see also 4.1.5.3), associated performance criteria and indicators, and descriptions of pre-defined actions to be taken if performance criteria are not met or control is lost as outlined in the Environmental Control Plan for Plant Effluents (2010, updated 2016, page 1), and the Standard Operating Procedure for Plant Effluents (August 2022).

- 4.1.5.6. **Critical.** On a regular basis, the operating company shall evaluate the performance of mine waste facilities to:
- a. Assess whether performance objectives are being met (see 4.1.4.2.a and 4.1.5.5);
 - b. Assess the effectiveness of risk management measures, including critical controls (see 4.1.5.3);

The guidance provided by IRMA on the scope of chapter 4.1 for lithium operation states that mine wastes include brines or process solutions from which minerals are/have been extracted, salts, residues, or other materials that are not recovered as a valued commodity. Furthermore, it establishes that mine waste facilities include ponds, tanks, or other facilities containing mine wastes, including brines, salts, residues, or process solutions from which minerals are extracted. (IRMA Standard 1.0 - Guidance Document 1.2 - June 2023)

The evidence reviewed indicates that the company evaluates the performance of the equalization pond regularly to:

- c. Inform updates to the risk management process (see 4.1.4.1.c) and the OMS (see 4.1.5.7); and
- d. Inform the management review to facilitate continual improvement (see 4.1.5.8).

- a. Assess whether performance objectives are being met as indicated in the Annual Report for 2020 and two 3-month Reports on the Environmental Control Program of Plant Effluents (January and April 2021) with results obtained from daily sampling of spent brine at the equalization pond discharge point and weekly sampling at three control points in the artificial lagoon as indicated by Standard Operation Procedure for Plant Effluents (August 2022); and
- b. Assess the effectiveness of risk management measures, including critical controls. The Standard Operating Procedure for Plant Effluents (August 2022) outlines inspection routines done before the pond is operated, and during start-up to ensure the integrity of each discharge pipe. The SOP defines the critical controls and corrective actions, such as shutting of the effluent discharge pipe if operational deviations are observed or cleaning of the pond once solids have accumulated in order to maintain the pond's capacity and avoid overflowing, which is further described in the Standard Operating Procedure on Equalization Pond Cleaning (PL-ARO-014, July 2022).
- c. The risk management process, as documented in the Procedure on Identification and Evaluation of Environmental Aspects (July 2022), indicates that reviews are planned annually and whenever operations change, complaints are received, or audit recommendations are made. The equalization's pond risk assessments are updated over time as indicated by the version history of the Matrix of Environmental Aspects and Impacts (revision 4, updated May 2022, former version March 2022). The Annual Report for 2020 and two 3-month Reports on the Environmental Control Program of Plant Effluents (January and April 2021) cover spent brine data on pH, density, conductivity, and solids content, including Boron, Calcium, Lithium, Potassium, Sodium, Sulfur, and Manganese, sampled at the equalization pond and three control points in the artificial lagoon. The evidence indicates that there have been no exceedances of performance criteria and that performance objectives are achieved.

		<p>d. Per IRMA notes on requirement 4.1.5.8., an annual management review is not necessary if there are no tailings storage facilities and no mine waste facilities that pose a risk of contamination or catastrophic failure that could impact human health, safety, the environment, or communities. The evidence, Bimonthly Activity Report for PCA Waste Management (May 2021) and the Annual Report on the Environmental Control Program of Plant Effluents (January 2021), indicates that the performance of its effluents and equalization ponds is regularly reviewed by the Environmental Coordinator.</p> <p>The evidence does not include details to confirm that updates to the risk management process and the procedures on operation, maintenance and surveillance of the waste facilities are informed by the outcomes of their performance evaluations.</p>
<p>4.1.5.7. The OMS manual shall be updated and new or revised risk and critical control strategies implemented if information reveals that mine waste facilities are not being effectively operated or maintained in a manner that protects human health and safety, and prevents or otherwise minimizes harm to the environment and communities.</p>	<p>—</p>	<p>Not relevant. The Annual Report for 2020 and two 3-month Reports on the Environmental Control Program of Plant Effluents (January and April 2021) cover spent brine data on pH, density, conductivity, and solids content, including Boron, Calcium, Lithium, Potassium, Sodium, Sulfur, and Manganese, sampled at the equalization pond and three control points in the artificial lagoon, indicate that there have been no exceedances of performance criteria and that performance objectives are achieved.</p>
<p>4.1.5.8. The operating company shall implement an annual management review to facilitate continual improvement of tailings storage facilities and all other mine waste facilities where the potential exists for contamination or catastrophic failure that could impact human health, safety, the environment or communities. The review shall:</p>	<p>—</p>	<p>Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.</p>

	<ul style="list-style-type: none"> a. Align with the steps outlined in the Mining Association of Canada's Tailings Management Protocol or a similar framework; and b. Be documented, and the results reported to an accountable executive officer. 		
4.1.6.1.	The siting and design or re-design of tailings storage facilities and other relevant mine waste facilities, and the selection and modification of strategies to manage chemical and physical risks associated with those facilities shall be informed by independent reviews throughout the mine life cycle.	—	Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.
4.1.6.2.	Reviews shall be carried out by independent review bodies, which may be composed of a single reviewer or several individuals. At high-risk mine waste facilities, a panel of three or more subject matter experts shall comprise the independent review body.	—	Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.
4.1.6.3.	Independent reviewers shall be objective, third-party, competent professionals.	—	Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.
4.1.6.4.	Independent review bodies shall report to the operation's general manager and an accountable executive officer of the	—	Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.

operating company or its corporate owner.		
4.1.6.5. The operating company shall develop and implement an action plan in response to commentary, advice or recommendations from an independent review, document a rationale for any advice or recommendations that will not be implemented, and track progress of the plan's implementation. All of this information shall be made available to IRMA auditors.	—	Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.
4.1.7.1. Stakeholders shall be consulted during the screening and assessment of mine waste facility siting and management alternatives (see 4.1.4.2), and prior to the finalization of the design of the facilities.	⊗	<p>Does not meet. The mine's waste facilities were commissioned in 1997 and there is no evidence indicating that stakeholders had been consulted regarding waste facility siting, and management. Per the IRMA guidance the expectation for existing mines, where waste facility screening, siting and assessment of facilities occurred without stakeholder engagement, is that mines have informed a broad range of stakeholders about the current design and management of the facilities.</p> <p>The evidence reviewed includes minutes and attendance from a meeting with the Antofagasta community (ESIA October 18, 2018) related to changes in mine ownership and the proposed expansion. The evidence does not provide details to confirm stakeholders have been consulted specific to the mine waste facility as defined by IRMA (IRMA Standard 1.0 - Guidance Document 1.2 - June 2023).</p>
4.1.7.2. Emergency preparedness plans or emergency action plans related to catastrophic failure of mine waste facilities shall be discussed and prepared in consultation with	—	Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.

		<p>potentially affected communities and workers and/or workers' representatives, and in collaboration with first responders and relevant government agencies. (See also IRMA Chapter 2.5).</p>
<p>4.1.7.3. Emergency and evacuation drills (desktop and live) related to catastrophic failure of mine waste facilities shall be held on a regular basis. (See also IRMA Chapter 2.5).</p>	<p>—</p>	<p>Not relevant; there is no credible risk to human health, safety, the environment, or communities as identified in 4.1.3.3.</p>
<p>4.1.7.4. If requested by stakeholders, the operating company shall report to stakeholders on mine waste facility management actions, monitoring and surveillance results, independent reviews and the effectiveness of management strategies.</p>	<p>●</p>	<p>The company has several means for fulfilling stakeholders' requests: directly, such as telephone, e-mail, and WhatsApp; and through quarterly meetings. The evidence reviewed includes a procedure describing how interactions with stakeholders should be handled (SG-PRC-007 - Interaction with stakeholders v9, January 2022), which outlines the process for fulfilling stakeholder requests, besides establishing the conditions for receiving, recording, and handling communications, ensuring transparency with internal and external stakeholders.</p> <p>The evidence indicates that the company would provide stakeholders with information on its waste facility management upon request but that no such request had been made.</p>
<p>4.1.8.1. Critical. At the present time, mine sites using riverine, submarine and lake disposal of mine waste materials will not be certified by IRMA.</p>	<p>●</p>	<p>The Fenix project does not discharge its plant effluents into a river, ocean, or lake.</p>

4.2.1.1. The operating company shall identify water users, water rights holders and other stakeholders that may potentially affect or be affected by its mine water management practices.

The area around the mine, including the Department of Antofagasta is sparsely populated (est. 0.047/sq km). Rural water users access fresh water from springs, rivers (i.e., Trapiche), precipitation and a government pipeline from the Los Patos River. The evidence reviewed includes:

- Chapter 3 of the Environmental Impact Assessment (EIA) for the Groundwater Utilization and Conveyance to the Fenix Plant – Los Patos Aqueduct (2018) describing the Environmental and Social Baseline (2018),
- Ch. 2 of the Update of the Environmental Impact Report (2021) on Socioeconomic and Cultural Components (2021),
- A list of identified stakeholders (SG-PRC-007-F01 - Stakeholder Identification, October 2021),
- A Map showing the location of water springs,
- A sample of round table meeting minutes and discussions (Bitácora del Diálogo, March, June, August, and November 2021), and
- Interviews from a sample of stakeholders, government officials and company personnel, indicate the company has identified water users and other stakeholders that may potentially affect or be affected by water management practices at the mine through various forms of outreach and research (i.e., discussions with regulators related to water rights, feedback through formal ESIA processes, locations of groundwater wells in the area, meetings with stakeholders to identify other users and community water sources, outreach to community organizations; observing of who is using surface waters; etc.).

The scoping by the company includes populations using water for domestic and livestock purposes, general ecosystem services

(supporting biodiversity), other existing lithium producers, and those granted water rights by the government (i.e., water pipeline).

The evidence does not comprehensively identify water rights of emerging producers of lithium in the Salar. Note that auditor review does not include users of the Los Patos River.

4.2.1.2. The operating company shall conduct its own research and collaborate with relevant stakeholders to identify current and potential future uses of water at the local and regional level that may be affected by the mine's water management practices.

The evidence reviewed includes documents and interviews with a sample of stakeholders and key personnel, along with on-site audit observations, indicate that the company actively engages with stakeholders to identify both current and potential future water uses potentially impacted by the mine's water practices. Key evidence includes:

- Extracts from roundtable discussions (Bitácora del Diálogo, March and August 2021) involving the company, government authorities, and community stakeholders in which residents voiced concerns about water issues, such as naturally occurring arsenic in Los Patos River (rendering it unfit for human consumption), and the need for repairs to a water pipeline serving a local resident whose service was interrupted over the winter.
- An Environmental and Social Impact Assessment (ESIA) from 2018 focused on the site's groundwater usage, particularly in connection to the Los Patos River, the primary freshwater source in the area. The ESIA notes that the river is predominantly used by shepherds, with agricultural water use considered uncommon due to the region's adverse weather conditions, hindering crop growth in the Salar.
- Collaborations with several institutions (i.e., the University of Alaska and researchers at the University of Massachusetts Amherst) supported by BMW Group and BASF to improve scientific understanding on the impact of lithium extraction on water resources and the surrounding ecosystem as well as the Province of Catamarca to understand cumulative impacts.

- Surface water maps including seven (7) snow-melt-fed springs in the vicinity of the site, and ongoing water monitoring maps documenting changes over time.
- Additionally, field observations were made of ongoing efforts to identify current and potential future uses of water such as restoration of the Trapiche Wetland, monitoring of water use, water levels and climate conditions, and of other water uses such as for domestic purposes or in support of biodiversity, i.e., brackish water in the lagoon used by flamingos, a spring-water collection area serving domestic and agricultural purposes (grazing, limited irrigation). These findings were complemented by
- Interviews covering monitoring and ongoing research associated with current and future water use with managers, government regulators, and other water stakeholders including residents.
- and provides information to confirm that the company conducts its own research and collaborates with relevant stakeholders to identify current and potential future uses of water at the local and regional level for sustainable water use.

4.2.1.3. The operating company shall conduct its own research and collaborate with relevant stakeholders to identify and address shared water challenges and opportunities at the local and regional levels, and shall take steps to contribute positively to local and regional water stewardship outcomes.

The evidence reviewed includes water trust infrastructure improvements (2021 and 2022 Sustainability Reports), Trapiche Wetland restoration monitoring reports (Monitoring Trapiche Wetland Livent Restoration Stage III Monitoring Report, April 2023), a sample of meeting minutes from the roundtable between the company, stakeholders and governmental authorities (Dialog Table Logs, March and August 2021), and interviews with a sample of stakeholders, government, and key company personnel, and indicate the company collaborates to understand and improve water stewardship practices and address shared water challenges, including those faced by local populations. Among the improvements addressed or made possible through the water trust

(SHM Trust Works, established in 2015), or commissioned by the company in partnership with others are:

- a. Construction of a drinking water intake and network (Antofalla);
- b. Construction of a cistern intended to ensure continuous supply and distribution of water (Antofagasta de la Sierra);
- c. Participation in a geohydrological water study supported by BMW Group and BASF to improve scientific understanding on the impact of lithium extraction on water resources and the surrounding ecosystem. The study is led by researchers at the University of Massachusetts Amherst in collaboration with the University of Alaska Anchorage.
- d. Construction of irrigation (neighbor); and
- e. Restoration of the Trapiche Wetland (Monitoring Trapiche Wetland Livent Restoration Stage III Monitoring Report, April 2023).

4.2.2.1. The operating company shall gather baseline or background data to reliably determine:

- a. The seasonal and temporal variability in:
 - i. The physical, chemical and biological conditions of surface waters, natural seeps/springs and groundwater that may be affected by the mining project;
 - ii. Water quantity (i.e., flows and levels of surface water, natural seeps/springs, and groundwater) that may be affected by the mining project; and
- b. Sources of contamination and changes in water quantity or quality

The company has compiled baseline/ background water data encompassing water quality and quantity parameters for both surface water and groundwater relating to (a) seasonal variability and (b) sources of contamination and changes in water quantity or quality that are unrelated to the mining project. The evidence reviewed, compiled in part by external consultants and subject to regulatory review, is summarized below. Note that assessment relating to the construction of the Los Patos aqueduct is outside the scope of this audit.

EIA Trapiche 3 (2000) describing average flow rates of Trapiche River (data from 1992-2000).

Environmental Impact Assessment (EIA) Water Resources and Soils (2002) containing:

- Flow rate measurements at the Trapiche location during the period of 1998-99.

that are unrelated to the mining project.

- River water analysis of physical and chemical characteristics (single sample), assessing the physical and chemical properties and
- Groundwater analysis from several wells numbered 4, 6, 6002, and 4007, considering 27 parameters, including arsenic levels (May 2022).

Groundwater Piezometer Levels (no date) recording the level of the piezometric surface in wells (4006, 3, 4, 6, and 7).

1. Environmental Impact Assessment (EIA) for the Groundwater Utilization and Conveyance to the Fenix Plant – Los Patos Aqueduct (2018) relating to surface and groundwater quantity and quality including:

- surface monthly flow rates of Los Patos River (from 1992 to 1998) and
- 6 measurement stations with one observation from April 2018,
- average flow rate of Trapiche River (2006-2014),
- physical and chemicals analysis of surface water from 3 samples from March 2018 (including 16 parameters, such as arsenic, pH, and others); transmissivity and hydraulic conductivity of three wells (PBLP-01, 02 and 03) (2018),
- static levels of 7 wells (2018),
- physical/chemical data (29 parameters) of piezometer PzLP01B (2017),
- physical/chemical data (26 parameters) of Los Patos River (2012), and
- physical/chemical data of groundwater (8 wells/piezometers – 18 parameters) of the Los Patos River basin (2012).

2. El Salar del Hombre Muerto – Geological Record (Lilloana, 1980) providing background information on surface water quality data from 41 sample points in the Salar.

		<p>Possible Sources of Contamination (March 2022), a summary report, provides (b) sources of contamination and changes in water quantity or quality that are unrelated to the mining project such as contributions from naturally occurring elements in base rocks such as calcium, arsenic, or lithium.</p> <p>The evidence does not integrate assessments data, consider surface seeps and springs, or present a comprehensive evaluation of water system variability related to ecological services (shallow alluvial aquifer freshwater, brackish water, brine).</p>
<p>4.2.2.2. The operating company shall carry out a scoping process that includes collaboration with relevant stakeholders, to identify potentially significant impacts that the mining project may have on water quantity and quality, and current and potential future water uses. The scoping process shall include evaluation of:</p> <ul style="list-style-type: none"> a. The mining-related chemicals, wastes, facilities and activities that may pose a risk to water quality; and b. The mine's use of water, and any mining activities that may affect water quantity. 	<p>●</p>	<p>The evidence reviewed includes the EIA Trapiche 7 Environmental Diagnostics (2000) and EIA (2002), and indicates the company has carried out a scoping process to evaluate mining-related risks to water quality and quantity as a result of the mine's use of chemicals and water, the generation of wastes, the operation of facilities and execution of activities (a, b). A sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021) indicates that potentially significant impacts on water quality and quantity have been shared with relevant stakeholders.</p> <p>Interviews with a sample of stakeholders, government representatives, researchers and key company staff indicate interest in the need for further scoping related to potential future water uses such as emerging lithium producers in the Salar.</p>
<p>4.2.2.3. Where potential significant impacts on water quantity or quality, or current and future water uses have been identified, the operating company shall carry out the following additional analyses to further predict and quantify the potential impacts:</p>	<p>●</p>	<p>The evidence reviewed includes an initial model of the Trapiche aquifer (Conhidro: Trapiche Aquifer System Conceptual Model, 2015) and its update (Integral Consulting: Trapiche Groundwater Model Upgrade, November 2018). These documents include conceptual and numerical models and provide details on the model, input parameters, assumptions, and limitations. The evidence indicates that the company has (a) estimated the potential for contamination and (b) predicted impacts on groundwater quality and quantity.</p>

- a. Development of a conceptual site model (CSM) to estimate the potential for mine-related contamination to affect water resources;
- b. Development of a numeric mine site water balance model to predict impacts that might occur at different surface water flow/groundwater level conditions (e.g., low, average and high flows/levels);
- c. If relevant, development of other numerical models (e.g., hydrogeochemical/hydrogeological) to further predict or quantify potential mining-related impacts on water resources; and
- d. Prediction of whether water treatment will be required to mitigate impacts on water quality during operations and mine closure/post-closure.

The numerical model indicates that impacts on the aquifer are temporary (d) and directly proportional to the total extraction rates. It should be noted that identified significant impacts found in the evidence relate to biodiversity loss in the Trapiche Wetland (18.43 hectares), and not specifically to water resources.

The evidence indicates monitoring and further study to understand potential impacts is ongoing by the company and does not include (c) a quantitative water balance or other numerical models such as aggregated or cumulative data and predictions of impacts considering emerging producers in the Salar. Note that assessment specific to the construction of the Los Patos aqueduct is outside the scope of this audit.

- 4.2.2.4. Use of predictive tools and models shall be consistent with current industry best practices, and shall be continually revised and updated over the life of the mine as operational monitoring and other relevant data are collected.

The evidence reviewed includes an initial model of the Trapiche aquifer (Conhidro: Trapiche Aquifer System Conceptual Model, 2015) and its update (Integral Consulting: Trapiche Groundwater Model Upgrade, November 2018), which updates geological, hydrogeological, and withdrawal rates information. These documents include conceptual and numerical models and provide details on the model, input parameters, assumptions, and limitations of the model. The evidence also includes the EIA from 2018 (ESIA - Groundwater Development and Pipeline to Fenix Plant - Los Patos Aqueduct - Chap. 3a. Environmental LB, 2018), and indicates a good understanding of groundwater in the area and

that the company utilizes a predictive tool to feed the hydrogeological model.

Interviews with stakeholders and key personnel indicate that the company is currently participating in a hydrogeological study in the mine area, led by the Universities of Alaska and Massachusetts, and that existing studies/models will be updated as necessary.

4.2.3.1. The operating company, in collaboration with relevant stakeholders, shall evaluate options to mitigate predicted significant adverse impacts on water quantity and quality, and current and potential future water uses that may be affected by the mine's water management practices. Options shall be evaluated in a manner that aligns with the mitigation hierarchy.

The evidence reviewed includes a sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021), indicates that the company (and local authorities) has collaborated with stakeholders to evaluate options to mitigate adverse impacts relating to biodiversity loss of the Trapiche Wetland due to the creation of the water impoundment, whose restoration is underway (refer to Chapter 4.6 of this report), and provide information to confirm the company:

- a. listens to and answers questions from relevant stakeholders about water;
- b. actively solicits inputs from communities and neighbors relating to water and other topics. Collaboration is invited in several ways including (1) open and public consultation meetings, as per state legal requirements organized by the Mining Ministry of Catamarca, (2) an Environmental and Social Impact Assessment Studies consultation process, and (3) other means of consultation, i.e., community meetings with company personnel present, such as the Management Tables, Technical Sessions, Participatory Water Monitoring; periodic visits to neighbors by company personnel; daily access to the company office in Antofagasta de la Sierra; visits from neighbors and institutions to the Fenix plant; through email or WhatsApp; through the company's Social Responsibility Programs and the participation of interest
- c. responds to water-related inquiries and requests from authorities, as indicated by a sample of response letters

(Response Notification Letter 091/20 - January 2022, and Complementary Information - Notification Letter 017/22 – June 2022).

Interviews with a sample of stakeholders, government representatives and key staff indicate views relating to this item are mixed. Some interviewees report they have participated in the assessment of water mitigation activities and have no concerns. Others were not aware of the company's water management practices. A group named Atacameños del Altiplano sent a letter to IRMA expressing several concerns about the mining project including the Trapiche Wetland (letter dated November 30, 2022).

4.2.3.2. If a surface water or groundwater mixing zone is proposed as a mitigation strategy:

- a. A risk assessment shall be carried out to identify, evaluate and document risks to human health, local economies and aquatic life from use of the proposed mixing zone, including, for surface water mixing zones, an evaluation of whether there are specific contaminants in point source discharges, such as certain metals, that could accumulate in sediment and affect aquatic life; and
- b. If any significant risks are identified, the operating company shall develop mitigation measures to protect human health, aquatic life and local economies including, at minimum:

Not applicable. According to the company, it does not use or propose a mixing zone as a mitigation measure.

- i. Surface water or groundwater mixing zones are as small as practicable;
- ii. Water in a surface water mixing zone is not lethal to aquatic life;
- iii. A surface water mixing zone does not interfere with the passage of migratory fish;
- iv. Surface water or groundwater mixing zones do not interfere with a pre-mine use of water for irrigation, livestock or drinking water, unless that use can be adequately provided for by the operating company through another source of similar or better quality and volume, and that this substitution is agreed to by all potentially affected water users; and
- v. Point source discharges into a surface water mixing zone match the local hydrograph for surface water flows to the extent practicable.

4.2.3.3. Waters affected by the mining project shall be maintained at a quality that enables safe use for current purposes and for the potential future uses identified in collaboration with relevant stakeholders (see 4.2.1.2). In particular,

The evidence reviewed includes the Physical and Chemical Water Analysis (May 2002), Analysis Protocol (June 2021), and Fenix Well Water Results (August 2021), and provides information on background water quality, chemical analysis methodology, as well as a comparison of water quality to background levels, with parameters in general alignment to IRMA Water Quality Criteria.

the operating company shall demonstrate that contaminants measured at points of compliance are:

- a. Being maintained at baseline or background levels; or
- b. Being maintained at levels that are protective of the identified uses of those waters (See IRMA Water Quality Criteria by End Use Tables 4.2.a to 4.2.h, which correspond to particular end uses).

Observations of field monitoring locations and a review of a sample of analytical results indicate the company has a system in place to monitor water quality over time. Analyses are (a) compared to baseline and reviewed by regulators to maintain a quality that is in alignment with background levels, consistent for current and potential future uses.

It is important to note natural background levels of some parameters exceed IRMA water quality criteria. Sources: ESIA – Water and Soils Physical and Chemical Water Analysis (May 2002), Analysis Protocol Q327978 (June 2021), and Fenix Water Well Results (August 2021)

The evidence, Response to Letter Notification 017/022: Temporary Analysis Limnology Catal Lagoon, presents pH levels of the Catal Lagoon indicating the company maintains pH between 6 to 8.3 (2015-2021). Observations and interviews with a sample of key staff and government representatives indicate that this monitoring is ongoing. The data sample indicates results are consistent with background water quality, indicating water is maintained to enable safe use for current purposes and potential future uses.

The evidence does not include information to confirm all significant parameters are compared to background levels.

- 4.2.3.4. Unless agreed by potentially affected stakeholders, water resources affected by mining activities shall be maintained at quantities that enable continued use of those resources for current purposes and for the potential future uses identified in collaboration with relevant stakeholders (see 4.2.1.2).

Fresh or raw (non-saline) water is sourced from an impoundment on the Trapiche River that became operational following government approval in 1997. Current users and uses of water include the Fenix operation (for mineral processing, camp services and sanitation), and a family of four people residing adjacent to the Trapiche River (for domestic, livestock and sanitation purposes). The operation additionally uses water withdrawn from wells in the Trapiche alluvial aquifer. The use of commercial bottled water is also common.

To produce lithium, salt water (brine) is withdrawn from a series of wells and allowed to evaporate in ponds, concentrating the lithium before processing. After processing, spent brine, salt-water

removed of its lithium, is neutralized, tested, and discharged back into the Salar. Fenix is among several companies producing or interested in producing lithium from brine pending government approvals in the future.

A sample of ESIA reports and updates, monitoring data (i.e., piezometers, wells, flow rates, brine levels and flows, Trapiche River, etc.), and regulatory reports as well as observations and interviews with a sample of stakeholders, key staff, and government officials at the time of the onsite audit provides information to confirm:

- the availability of water in the Salar (freshwater, salt water) is closely related to climate (i.e., precipitation or recharge, evaporation, etc.)
- changes in water levels due to industrial and operational water use (freshwater, salt water) at the mine is measured and assessed as presented in the evidence
 - o EIA (2002) and Environmental Impact Report Update - Exploitation and Production Capacity Expansion Stage - Fenix Project Ch. 4, Environmental Impacts (2018)
 - o Notification Letter Supplemental Information (Page 4, 017/22 June 2022),
 - o Environmental Monitoring Program: Semiannual Report Water Wells and Trapiche River (2021)
 - o Environmental Monitoring Program: Piezometer Levels and Flow Rates (2017)
- there is a limited number of stakeholders whose water resources are potentially affected by mining practices;
- stakeholders who rely on freshwater resources are consulted and participate in water resource-related decision-making (Roundtable Minutes, July and August 2021);
- continued freshwater use is made possible to stakeholders by the company through the water impoundment structure on the Trapiche River and through mutual agreements (i.e., for irrigation), independent of industrial water volumes used or climate conditions (i.e., drought, freezing);

- the company assesses and monitors water quality and quantity on a regular basis and this information is subject to regulatory review;
- monitoring includes the participation of interested stakeholders;
- adverse effects created by the water impoundment (the loss of vegetation and biodiversity along the watercourse between where the water exits the Trapiche River impoundment to where the water infiltrates underground, approximately 1 to 3 kilometers depending upon the year) have been mitigated, meaning a plan is in place, reclamation is underway or completed and being monitored, and stakeholders are involved in the mitigation process.
- While fears of water scarcity and water quality affecting livelihood and ecological services have been reported by stakeholders and this is identified in news articles and journals, published research, or under scientific review, no evidence, such as water-related investigations, complaints, or integrated assessments was available to auditors to indicate water resources are not maintained at quantities that enable continued use for current purposes (domestic, livestock and ecological services).

The evidence, which describes groundwater (freshwater and brine) measured in wells or piezometers, and surface water within the Trapiche basin, presents a sample of water monitoring data (water quality and water quantity) that, in combination with ongoing monitoring of water resource capacity, climate and use, indicates water resources are predictable.

The evidence does not include full data sets of monitoring parameters compared to background over time, an assessment that considers all water aspects (i.e., contributions from springs, stakeholder use, evaporation, etc.), or a water balance that considers potential future water uses such as emerging lithium operations in the basin. Note, this review does not consider

expanded uses relating to the construction of the Los Patos River aqueduct, as it is outside the scope of this assessment.

4.2.4.1. **Critical** (a through e). The operating company shall develop and document a program to monitor changes in water quantity and quality. As part of the program the operating company shall:

- c. Establish a sufficient number of monitoring locations at appropriate sites to provide reliable data on changes to water quantity and the physical, chemical and biological conditions of surface waters, natural springs/seeps and groundwater (hereafter referred to as water characteristics);
- d. Sample on a frequent enough basis to account for seasonal fluctuations, storm events and extreme events that may cause changes in water characteristics;
- e. Establish trigger levels and/or other indicators to provide early warning of negative changes in water characteristics;
- f. Sample the quality and record the quantity of mine-affected waters destined for re-use by non-mining entities;
- g. Use credible methods and appropriate equipment to reliably detect changes in water characteristics; and

The evidence reviewed includes groundwater and surface water monitoring information for the Salar, the operation (i.e., water use/effluent discharge), and the Trapiche water system, as well as interviews with a sample of key staff and affected stakeholders, and indicates the company has established a monitoring program that aligns with (a) a sufficient number of monitoring locations to provide reliable data on water quantity and the physical and chemical conditions of surface waters and groundwaters; (b) data collected at a frequency to account for seasonal fluctuations or extreme events such as drought, that includes (c) trigger levels aiding early detection of potential impacts, using (e) generally accepted methodology, and (f) accredited labs.

The evidence reviewed also includes:

- Environmental Control Program documents (2021):
 - Plant effluents,
 - Water Wells and Trapiche River,
 - Water Quality, and
 - Sewage Effluents.
- Environmental Monitoring Program Procedures (2020),
- Brine Levels and Flows (PCA of Brine Levels and Flow Rates),
- Flora and Limnology (PCA for Flora and Limnology),
- Environmental Monitoring Program which information:
 - Trapiche Water System - Water Quality (2015),
 - Sewage Effluents (2017),
 - Plant Effluents (2016), and
 - Piezometer Levels and Flow Rates (2017).

The information provided describes the methodology for monitoring well placement, sampling, and data collection frequency. Sample locations include those in rivers (2), in wells (8),

- h. Use accredited laboratories capable of detecting contaminants at levels below the values in the IRMA Water Quality Criteria by End-Use Tables.

and in piezometers (15), as well as brine levels and flows. Further information for each requirement is presented below.

- a. The number and type of monitoring locations are informed by stakeholder feedback, participatory monitoring, as well as emerging research, and government inputs and approvals on an ongoing basis.
- b. The water monitoring schedule (monthly for surface water and groundwater and twice a month for brine wells), and physical and chemical parameters aligns with government approvals and allows for the capture of seasonal fluctuations.
- c. Data tables for discharge water contain permitted trigger levels. Tendency graphs such as Trapiche River water elevation and flow rates in biannual reports present water quality changes compared to baseline over time.
- d. Not relevant; no water is destined for re-use by non-mining entities.
- e. Use credible methods and appropriate equipment to measure water characteristics reliably. Among the sampling equipment used are: (a) multiparameter Hach, densimeter Mettler Toledo Densito 30PX, (b) ICAP Perkin Elmer Optima 5300 DV, (c) Conductimeter Orion 162, and (d) pH-meter Fisher Scientific Accumet 15. Each piece of equipment was observed labeled with valid calibration according to ISO-9001. The monitoring procedure (PR-SOP-812) and field data collection form (PR-SOP-812-F01/F02) provide instructions on recipients' preparation of samples and recording of data.
- f. Uses both an internal lab and an external lab (INDUSER, a lab accredited by an Argentinian Accreditation Organization) for sample analysis.

Interviews with a sample of stakeholders indicate awareness of the company's water monitoring program, especially for those participating in the collection program. Not all stakeholders expressed awareness of monitoring results.

The evidence does not include:

		<ul style="list-style-type: none"> - Triggers in data management tables to communicate early detection in changes to surface and ground water quality, or - Detection limits of the accredited laboratory on each report to confirm lab equipment, methodology and processes can detect contaminants at levels below the values in the IRMA Water Quality Criteria by End-Use Tables.
<p>4.2.4.2. Samples shall be analyzed for all parameters that have a reasonable potential to adversely affect identified current and future water uses. Where baseline or background monitoring, source characterization, modeling, and other site-specific information indicate no reasonable potential for a parameter to exceed the baseline/background values or numeric criteria in the IRMA Water Quality Criteria by End-Use Tables (depending on the approach used in 4.2.3.3), those parameters need not be measured on a regular basis.</p>	●	<p>The evidence reviewed includes plant effluents monitoring data (below), and background information on the watershed (Hydrographic Analysis of the Salar del Hombre Muerto 2019), and indicates that the company analyzes for all parameters with a reasonable potential to adversely affect identified current and future water uses, among them:</p> <ul style="list-style-type: none"> - Regular monitoring of wastewater (daily at the equalizer pond and weekly in control spots at the Artificial Lagoon) for pH and total dissolved solids (Plant Effluents Environmental Control Program 2016); - Surface and groundwater quality for 21 parameters from samples taken at piezometers locations (8), wells (10), at the dam-Trapiche (1) and rivers (5 stations). The parameters include Al, As, B, Ba, Ca, Density, Fe, K, Li, Mg, Na, S, Si, Zn, pH, Conductivity, Chloride, Carbonate, Bicarbonate, Nitrate, and TDS (External Water Analysis 2021 and Environmental Control Programs for Brine Levels and Brine Flow Rates, June and November 2017).
<p>4.2.4.3. The operating company shall actively solicit stakeholders from affected communities to participate in water monitoring and to review and provide feedback on the water monitoring program:</p>	●	<p>The evidence reviewed summarized in (a) to (b) below indicates the company has actively invited stakeholders from affected communities to participate in water monitoring and to review and provide feedback relating to their water monitoring program, among them:</p> <ol style="list-style-type: none"> a. Participation by independent experts - four monitoring events (2021-2022) included independent experts from the Mining Ministry, Mining Geological Service, Environmental Secretary,

- a. Participation may involve the use of independent experts selected by the community; and
- b. If requested by community stakeholders, costs related to participation in monitoring and review of the monitoring program shall be covered in full or in part by the company, and a mutually acceptable agreement for covering costs shall be developed.

- and Water Secretary. It is not mentioned if those expert agencies are involved at the request of the communities.
- b. Costs for stakeholder participation – invitations for stakeholder participation indicate that while it is coordinated by the local authority (Mining Ministry, Catamarca Government – Environmental Mining Management Province Direction) the company provides support for logistics including coverage of associated expenses. This is confirmed in interviews with a sample of stakeholders and key staff.

Further evidence includes:

- Participatory Monitoring with the Community and Government (April and July 2021), which indicates that authorities and stakeholders of communities participate in sampling/measurements (of some surface and groundwater locations).
- Directorate of Mining Environmental Management - Monitoring Program Minutes -Fenix Project (April 2021), which indicates that the community suggested adding a monitoring station.
- Participatory Environmental Monitoring Los Patos (May 2022), which indicates that previous monitoring results are made available during every participatory monitoring and that the communities can review/provide feedback on the water monitoring program. Participatory Monitoring (4 folders with reports), 2021-2022 indicates that the participatory monitoring also includes sampling stations at the Trapiche System. A set frequency for these programs was not found in the evidence. The occurrence is decided by the coordinating regulatory Agency. In 2021 the communities participated in water monitoring three times (according to evidence: Participatory Monitoring – Folders A, B and C, 2021). Note that assessment relating to the construction of the Los Patos aqueduct is outside the scope of this audit.

- 4.2.4.4. **Critical.** The operating company shall develop and implement an adaptive management plan for water that:
- Outlines planned actions to mitigate predicted impacts on current and future uses of water and natural resources from changes in surface water and groundwater quality and quantity related to the mining project; and
 - Specifies adaptive management actions that will occur if certain outcomes (e.g., specific impacts), indicators, thresholds or trigger levels are reached, and timelines for their completion.

The evidence reviewed includes environmental control programs for the Trapiche Water System and Water Quality (2015), Sewage Effluents (2017), Plant Effluents (2016), and Piezometer Levels and Flow Rates (2017), and indicates that an adaptive management plan for water has been developed and implemented including mitigation and control measures, planned actions that are outlined to mitigate predicted impacts on uses of water and surface and groundwater quality and quantity (a), and adaptive management actions that will occur if necessary (b).

The evidence does not include timelines for the completion of the mitigation/control measures.

- 4.2.4.5. Annually or more frequently if necessary (e.g., due to changes in operational or environmental factors), the operating company shall review and evaluate the effectiveness of adaptive management actions, and, as necessary, revise the plan to improve water management outcomes.

The evidence reviewed includes an annual report on Water Resource Management report (2021) and the company's environmental control programs (Programa de Control Ambiental) for the Trapiche Water System and Water Quality 2015, Sewage Effluents (2017), Plant Effluents (2016), and Piezometer Levels and Flow Rates (2017), and indicates the company reviews adaptive management actions and its water management plans annually and updates its environmental controls periodically. The annual Water Resource Management report (2021) summarizes the actions taken during the year and concludes if there have been impacts or other relevant outcomes. This report is submitted to regulatory authorities. This report describes periodic controls such as monitoring, database, daily report of consumption, indicating any anomalous data that is logged, and corrective actions.

- 4.2.4.6. Community stakeholders shall be provided with the opportunity to review

A sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August,

adaptive management plans and participate in revising the plans.

October, and November 2021), indicates that the company obtains and considers feedback from stakeholders on various topics including the effectiveness of adaptive water management actions.

4.2.5.1. The operating company shall publish baseline or background data on water quantity and quality, and the following water data shall be published annually, or at a frequency agreed by stakeholders from affected communities:

- a. Monitoring data for surface water and groundwater points of compliance; and
- b. Monitoring data for water quantity (i.e., flows and levels of surface waters, springs/seeps and groundwater), and the volume of water discharged and extracted/pumped for mining operations.

The evidence reviewed indicates the company shares information with affected stakeholders as mutually agreed upon, particularly those living in remote areas closest to the mine who do not have access to the internet or community center. Environmental Control Program Reports on Water Quality and Quantity (July 2021), Livent Resource and Reserve Report (2023) indicates that the company shares water quantity and quality with stakeholders through:

- a. monitoring reports biannually to local authorities, including data for surface and groundwater.
- b. in person-to-person meetings
- c. at Livent's Antofagasta de la Sierra office - printed reports of the analysis of the samples from the different participatory monitoring are saved, so that the stakeholders have access to the data. This is done due to the low internet connectivity of the town and its surroundings, and also to encourage dialogue in case there are doubts, since the guideline that the staff of the Antofagasta de la Sierra office has is that they must call by telephone to environmental personnel so that they can clarify any questions, and so the person does not leave the office with doubts or with poorly understood topics, and thus avoid problems of misinformation or misunderstandings with the community.
- d. through the company request procedure, i.e., environmental staff carry a printed report of sample analysis and results from previous monitoring. Environmental staff are responsible for answering any questions that monitoring participants (stakeholders) may express. If the query requires a more elaborate explanation, blank Information Request forms are provided (SG-PRC-007-F02 - Registro de pedido de información [Information Request Record]), so that the request follows the

course established in the procedure (SG-PRC -007 Interaction with Interested Parties)

Interviews with a sample of stakeholders and key staff indicate not all stakeholders are aware of how to access water monitoring data, either through means provided by the company or the government.

4.2.5.2. The operating company shall develop and implement effective procedures for rapidly communicating with relevant stakeholders in the event that there are changes in water quantity or quality that pose an imminent threat to human health or safety, or commercial or natural resources.

The closest neighbors (4 persons - about 6 km from the plant site, in the Trapiche River basin) are considered relevant water stakeholders for current operations. The evidence reviewed includes the Procedure on the Identification and Evaluation of Environmental Aspects (July 2022, Section 6) and indicates that the company has implemented procedures to communicate potential threats to human health or safety or ecological services including changes to water quality or quantity. For some neighbors, the company provided cell phones and electricity to ensure effective communication in case of an emergency, including those that may be unrelated to the mine (i.e., emergencies associated with

inclement weather, or personal health). Access to a phone and electricity for those closest to the mine was observed in practice at the time of the site visit and confirmed in interviews with stakeholders.

4.2.5.3. The operating company shall discuss water management strategies, performance and adaptive management issues with relevant stakeholders on an annual basis or more frequently if requested by stakeholders.

A sample of meeting minutes from the roundtable between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021), indicates that the company discusses water and many other topics with communities (including the family of 4 persons who live about 6 km from mine site), local authorities, and EcoConciencia Foundation. The evidence indicates that the company has presented information on its water management strategies.

Interviews with a sample of stakeholders and key staff indicate stakeholders are interested in water management, and that the company's water management strategies are frequently discussed in one-on-one meetings with stakeholders, with government officials, at community dialog table meetings and other meetings (i.e., ESIA, good neighbor, etc.), on a regular basis.

Chapter 4.3—Air Quality

Basis for rating

4.3.1.1. The operating company shall carry out air quality screening to determine if there may be significant air quality impacts associated with its operations.

The evidence reviewed includes the Description of Environmental Impacts, p. 26 & p. 46 – Table 5 (2002), the Biannual Renewal of the 2002 EIS, p. 88, (2007), and Modeling the Dispersion of Gaseous Pollutants in the Atmosphere (May 2019), and indicates the company has carried out air quality screening to determine if there may be significant air quality impacts associated with its operations.

The 2002 EIS describes the methodology used to categorize significant impacts to ambient air quality (AQ) caused by gaseous

		<p>emissions and dust generation based upon the methodology proposed by Conessa Fernandez (1997), which assigns a weight using the Delphi convergence technique, classifying the environmental impact of the air factor as "irrelevant". This is confirmed in 2007 at the renewal of the 2002 EIS. The 2019 report which models the concentration of CO, NOx, and SO2 gases generated by the mining operation using the AERMOD method concludes that the anticipated levels of these gases are within the national and internationally defined air quality limits and that their impacts can be considered irrelevant.</p> <p>The evidence does not include an assessment of potential impacts on air quality, such as respirable and settleable dust, caused by the company's use of roads.</p>
<p>4.3.1.2. During screening, or as part of a separate data gathering effort, the operating company shall establish the baseline air quality in the mining project area.</p>	<p>⊗</p>	<p>Does not meet. The evidence (see 4.3.1.1) does not show baseline data collected before the mine started operations.</p>
<p>4.3.1.3. If screening or other credible information indicates that air emissions from mining-related activities may adversely impact human health, quality of life or the environment, the operating company shall undertake an assessment to predict and evaluate the significance of the potential impacts.</p>	<p>—</p>	<p>Not relevant. Based on the evidence (see 4.3.1.1), it has been estimated that the operation has no significant impact on air quality. On-site observations confirm this.</p>
<p>4.3.1.4. The assessment shall include the use of air quality modeling and monitoring consistent with widely accepted and documented methodologies to estimate the concentrations, transport and</p>	<p>—</p>	<p>Not relevant. Based on the air quality impact assessments conducted in the Environmental Impact Assessments from the years 2002 and 2007, and on-site observations, the impact on air quality is considered to be not significant.</p>

dispersion of mining-related air contaminants.		The evidence, report Modeling the Dispersion of Gaseous Pollutants in in the Atmosphere (May 2019, p. 21), indicates the use of an appropriate methodology (AEROMOD model) to estimate the concentrations, transport, and dispersion of air contaminants. The parameters included are CO, SO2 and NOx.
4.3.2.1. Critical. If significant potential impacts on air quality are identified, the operating company shall develop, maintain and implement an air quality management plan that documents measure to avoid, and where that is not possible, minimize adverse impacts on air quality.	—	Not relevant. Based on the air quality impact assessments conducted in the Environmental Impact Assessments from the years 2002 and 2007, and on-site observations, the impact on air quality is considered to be not significant.
4.3.2.2. Air quality management strategies and plans shall be implemented and updated, as necessary, over the mine life.	—	Not relevant. Based on the air quality impact assessments conducted in the Environmental Impact Assessments from the years 2002 and 2007, and on-site observations, the impact on air quality is considered to be not significant.
4.3.3.1. The operating company shall monitor and document ambient air quality and dust associated with the mining project by using personnel trained in air quality monitoring.	●	<p>The company monitors air quality and documents the results as indicated in the report Measurement of Gaseous Pollutants and Particulate Matter PM-10 in Air (2019). The personnel in charge of air quality monitoring are contractors. In the selection process, factors such as background, experience and equipment are considered, as well as verification of the calibration certification of the measurement equipment as indicated in PCA – E&AQ (2018).</p> <p>The 2021 internal training record shows the list of personnel who have received training on environmental aspects. The evidence shows the title of the training, person responsible for presenting, date, time, place, name, and signature of each participant for April and May 2021. The evidence, a procedure on Flue Gas Monitoring and Recording in Chimney (MA-PCR-022, June 2015), and the environmental control plan PCA – E&AQ (2018), indicates that the</p>

		<p>company maintains an operating procedure manual for the personnel and the sampling equipment.</p> <p>The evidence does not include information, such as material used in the training, of the specific content or of an evaluation to confirm that the staff understood and assimilated the content of the training, to confirm the contractor's personnel are properly trained.</p>
<p>4.3.3.2. Ambient air quality and dust monitoring locations shall be situated around the mine site, related operations and transportation routes and the surrounding environment such that they provide a representative sampling of air quality sufficient to demonstrate compliance or non-compliance with the air quality and dust criteria in 4.3.4.3, and detect air quality and dust impacts on affected communities and the environment. Where modeling is required (see 4.3.1.4) air monitoring locations shall be informed by the air quality modeling results.</p>	<p>⊕</p>	<p>The evidence reviewed includes the environmental control plan PCA – E&AQ, pages 17-19 (2018), and indicates that the company has air quality monitoring points for sampling gaseous emissions, including SO₂, H₂S, NO_x, NO, NO₂, CO, O₃ and particulate matter (PM₁₀), in highly frequented areas of the mine concession. Specifically, there are 5 measurement points surrounding the Fenix Project, and 4 in the brine extraction zone. The PCA – E&AQ (2018), and reports on the PCA – E&AQ (2021) and on the Measurements of Gaseous Pollutants and PM₁₀ on Ambient Air (2018), indicate that gaseous emission measurements are conducted monthly and PM₁₀ measurements are conducted annually during a 4-day monitoring campaign around the plant. Monitoring locations are not informed by air modeling (PCA – E&AQ, 2021).</p> <p>The Salar is subject to two distinct seasons (a predominantly wet season and a dry season), and variability associated with high winds affecting particulate matter concentrations and dispersion. The company's air quality monitoring program does not consider seasonal variability or dust created from roadway transportation, including those that pass-through communities.</p>
<p>4.3.4.1. New mines and existing mines shall comply with the European Union's Air Quality Standards (EU Standards) as amended to its latest form (See Table 4.3, below) at the boundaries of the</p>	<p>—</p>	<p>During Launch Phase, this requirement will not be scored per IRMA Guidance issued in June 2023.</p>

mine site and transportation routes, and/or mitigate exceedances as follows:

- a. If a mine is in an air shed where baseline air quality conditions meet EU Standards, but emissions from mining-related activities cause an exceedance of one or more parameters, the operating company shall demonstrate that it is making incremental reductions in those emissions, and within five years demonstrate compliance with the EU Standards; or
- b. If a mine is located in an air shed where baseline air quality is already degraded below EU Standards, the operating company shall demonstrate that emissions from mining-related activities do not exceed EU Standards, and make incremental improvements to the air quality in the air shed that are at least equivalent to the mining project's emissions.

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- 4.3.4.2. As an alternative to 4.3.4.1, the operating company may undertake a risk-based approach to protecting air quality as follows:
- a. New and existing mines shall comply with host country air quality standards at a minimum, and where no host country standard exists mines shall demonstrate compliance

During Launch Phase, this requirement will not be scored per IRMA Guidance issued in June 2023.

- with a credible international best practice standard;
- b. Where compliance is met for host country standards but the mine experiences a residual risk related to its air emissions, then more stringent international best practice standards shall apply;
- c. Where compliance is met for international best practice standards and a mine still experiences a residual risk from its air emissions, then the mine shall set more stringent self-designed limits, and implement additional mitigation measures to meet those limits; and
- d. For all air-emissions-related risks, the mine shall demonstrate that it is making incremental reductions in emissions, through a multi-year phased plan with defined timelines.

4.3.4.3. Dust deposition from mining-related activities shall not exceed 350 mg/m²/day, measured as an annual average. An exception to 4.3.4.3 may be made if demonstrating compliance is not reasonably possible through ordinary monitoring methods. In such cases the operating company shall utilize best available practices to minimize dust contamination.

During Launch Phase, this requirement will not be scored per IRMA Guidance issued in June 2023.

4.3.5.1. The operating company shall ensure that its air quality management plan

The company's environmental control plan for air quality PCA – E&AQ (2018) was last updated in 2018 to replace the prior version

and compliance information is up-to-date and publicly available or made available to stakeholders upon request.

and indicates that the plan is up to date. Emission monitoring reports are submitted quarterly to the Catamarca Mining Secretariat. The evidence reviewed includes:

- Quarterly report on PCA Gaseous Emissions activities, 4th quarter 2020.
- Letter of delivery to the Secretary of Mining Development, of the Ministry of Mining of Catamarca (April 2021).

AQ monitoring reports are prepared annually as indicated by a sample Pollutant Measurement Report for 2019. The information is publicly accessible.

There is no evidence of stakeholders requesting the air quality management plan. The evidence includes the company's procedure on provision of information regarding the company's occupational health and safety, environment and quality management system, its environmental, safety, and productive performance and its relationship with the environment and communities (Stakeholder Interaction, SG-PRC-007, revision 9, October 2021) and the information request form to be completed by stakeholders (Information Request Record, SG-PRC-007_F02, October 2021). The evidence indicates that the company would share information regarding air quality management plan upon request.

Chapter 4.4—Noise and Vibration

Basis for rating

4.4.1.1. The operating company shall carry out screening to determine if there may be significant impacts on offsite human noise receptors from the mining project's noise and/or vibration. Screening is required at all new mines, and at existing mines if there is a proposed change to the mine plan that

The environmental impact assessment (EIA) update of 2018 (Page 238-246) indicates that there is one family living approximately 6 km from the mine site. The environmental impact assessments for the Fenix project (2002), (Impact Matrix, Annex III (2018), Chapters 2.3.7. and 4 indicate the company has assessed potential noise impacts and concluded that there are no significant impacts to off-site noise receptors. The evidence, a technical report on Environmental Noise Monitoring at the Fenix Plant regarding

<p>is likely to result in a new source of noise or vibration or an increase in existing noise or vibration levels.</p>		<p>Neighbors to the Project (August 2022), indicates that noise levels are below 55 dBA measured at daytime at various houses and corrals of the family living nearby. Both the EIA and the technical report indicate that the noise measurements for each point were taken during one day between 9 AM and 6:30 PM. Interviews with a sample of stakeholders have not indicated noise and vibration as a concern.</p> <p>While not reported as a concern, the evidence does not provide details to confirm studies take into consideration local topography and meteorology, such as prevailing wind directions and temperature inversions, and different seasons, days of the week, or times of the day under a variety of conditions</p>
<p>4.4.1.2. If screening identifies potential human receptors of noise from mining-related activities, then the operating company shall document baseline ambient noise levels at both the nearest and relevant offsite noise receptors.</p>	<p>●</p>	<p>The evidence reviewed includes impact assessments, environment noise monitoring results, grievance logs, as well as observations and interviews with a sample of stakeholders, including those living closest to the operation (6 km), and indicate:</p> <ol style="list-style-type: none"> a. There are 4 communities and one family ranging from 6 to 90 km from the mine site (Environmental Impact Assessment 2018), Page 238-246, and limited screening has not identified potential impacts from noise. b. Observations and interviews with a sample of stakeholders, government representatives and key staff, indicate wind to be the largest influence on human receptors around the mine, and this is confirmed in the monitoring (Fenix Project Noise Monitoring Technical Report on Neighbors of the Project August 2022); <p>While there are no reports of concerns relating to noise and monitoring indicates screening is below background levels, the evidence does not include assessment under various scenarios.</p>
<p>4.4.2.1. If screening or other credible information indicates that there are residential, institutional, or educational</p>	<p>—</p>	<p>Not relevant. The evidence, Environmental Impact Assessment (2018), identifies one residential noise receptor within its area of direct influence, approximately 6 km from the site. The evidence,</p>

<p>noise receptors that could be affected by noise from mining-related activities, then the operating company shall demonstrate that mining-related noise does not exceed a maximum one-hour LAeq (dBA) of 55 dBA during the hours of 07:00 to 22:00 (i.e., day) and 45 dBA at other times (i.e., night) at the nearest offsite noise receptor. These hours may be adjusted if the operating company can justify those alternative hours are necessary and/or appropriate because of local, cultural or social norms.</p>	<p>technical report on Environmental Noise Monitoring at the Fenix Plant regarding Neighbors to the Project (August 2022), indicates that mining related noise does not exceed the guideline LAeq (dBA) of 55 during the daytime. The highest noise level that was measured during this study reached 47.1 dBA. The evidence indicates that the company complies with the national Legal Framework 2653/2018 on noise levels for daytime (55dBA between 7 AM to 10 PM).</p> <p>Although, the evidence does not provide noise measurements at relevant offsite receptors to confirm that mining-related noise does not exceed 45 dBA during night time as per the IRMA Standard or 50 dBA as per the national regulation, there is no evidence, such as complaints or grievances filed by relevant stakeholders, indicating that they are significantly impacted by mining-related noise.</p>
<p>4.4.2.2. The following exceptions to 4.4.2.1 apply:</p> <ul style="list-style-type: none"> a. If baseline ambient noise levels exceed 55 dBA (day) and/or 45 dBA (night), then noise levels shall not exceed 3 dB above baseline as measured at relevant offsite noise receptors; and/or b. During periods of blasting, the dBA levels may be exceeded, as long as the other requirements in 4.4.2.4 are met. 	<p>Not relevant. There is no evidence indicating that the company exceeds the noise limits as described in sub-requirement (a), and the mine does not blast (b).</p>
<p>4.4.2.3. If screening or other credible information indicates that there are only industrial or commercial receptors that may be affected by noise from mining-related activities, then noise measured at the mine boundary or nearest</p>	<p>Not relevant. The evidence, EIA (2002, 2006 and 2018) and monitoring plan, do not identify any industrial or commercial receptors to be affected by mining activities.</p>

<p>industrial or commercial receptor shall not exceed 70 dBA.</p>		
<p>4.4.2.4. If screening or other credible information indicates that noise or vibration from blasting activities may impact human noise receptors, then blasting operations at mines shall be undertaken as follows:</p> <ul style="list-style-type: none"> a. A maximum level for air blast overpressure of 115 dB (Lin Peak) shall be exceeded on no more than 5 % of blasts over a 12-month period; b. Blasting shall only occur during the hours of 09:00 to 17:00, on traditionally normal working days; and c. Ground vibration (peak particle velocity) shall neither exceed 5 mm/second on 9 out of 10 consecutive blasts, nor exceed 10 mm/second at any time. 	—	<p>Not relevant. The operation at the Fenix Lithium Mine does not include blasting.</p>
<p>4.4.2.5. Mines may undertake blasting outside of the time restraints in 4.4.2.4.b when the operating company can demonstrate one or more of the following:</p> <ul style="list-style-type: none"> a. There are no nearby human noise receptors that will be impacted by blasting noise or vibration; b. Alternative hours are necessary and/or appropriate because of local, cultural, or social norms; and/or 	—	<p>Not relevant. The operation at the Fenix Lithium Mine does not include blasting.</p>

<p>c. Potentially affected human receptors have given voluntary approval for the expanded blasting hours.</p>		
<p>4.4.2.6. If a credible, supported complaint is made to the operating company that noise or vibration is adversely impacting human noise receptors, then the operating company shall consult with affected stakeholders to develop mitigation strategies or other proposed actions to resolve the complaint. Where complaints are not resolved then other options, including noise monitoring and the implementation of additional mitigation measures, shall be considered.</p>	<p>—</p>	<p>Not relevant. The company has not received any complaints related to noise or vibrations.</p>
<p>4.4.2.7. All noise- and vibration-related complaints and their outcomes shall be documented.</p>	<p>—</p>	<p>Not relevant. See (4.4.2.6). No complaints or queries related to noise or vibrations have been received.</p>
<p>4.4.3.1. When stakeholders make a noise-related complaint, the operating company shall provide relevant noise data and information to them. Otherwise, noise data and information shall be made available to stakeholders upon request.</p>	<p>—</p>	<p>Not relevant. See (4.4.2.6). No complaints or queries related to noise or vibrations have been received.</p>

Chapter 4.5—Greenhouse Gas Emissions

Basis for rating




- 4.5.1.1. **Critical.** The operating company or its corporate owner shall develop and maintain a greenhouse gas or equivalent policy that commits the company to:
- Identifying and measuring greenhouse gas emissions from the mining project;
 - Identifying energy efficiency and greenhouse gas reduction opportunities across the mining project;
 - Setting meaningful and achievable targets for reductions in absolute greenhouse gas emissions at the mine site level or on a corporate-wide basis; and
 - Reviewing the policy at least every five years and revising as needed, such as if there are significant changes to mining-related activities, new technologies become available, or there are newly identified opportunities for reductions.

The company has an Environmental Health and Safety policy (2021), a Statement on Climate Change by Livent (2019), and an annual Sustainability Report 2020 (July 2021) that comply with the requirements (a) to (d). The evidence reviewed indicating compliance with specific requirements consists of:

- Environmental Health and Safety policy (2021) and Statement on Climate Change by Livent (2019).
- Environmental Health and Safety policy (2021) and Statement on Climate Change by Livent (2019).
- Environmental Health and Safety policy (2021): New Goals – Page 21.
- Livent Corporation Sustainability Committee of The Board of Directors (2021) – Page 1

- 4.5.2.1. The operating company shall comply with emissions quantification methods described in a widely accepted reporting standard, such as the Greenhouse Gas Protocol Corporate Standard or the Global Reporting

The company uses the Global Reporting Initiative's GRI 305 emissions reporting standard for quantifying its emissions as indicated in the Sustainability Report 2020 (July 2021, page 25).

Initiative's GRI 305 emissions reporting standard.		
<p>4.5.3.1. The greenhouse gas policy shall be underpinned by a plan that details the actions that will be taken to achieve the targets set out in the policy.</p>		<p>The evidence reviewed includes an internal presentation on the Carbon Footprint of the Fenix Operation (August 2022) and indicates that the company has developed a plan to achieve its goals of reducing Greenhouse Gas intensity by 30%, transitioning its energy mix to include 30% of renewable energy sources by 2030, and achieving overall carbon neutrality by 2040.</p> <p>The evidence indicates that the company has identified the use of natural gas and diesel as the largest contributor (69%) of the operation's carbon footprint. The presentation outlines actions that the company is planning to undertake to reduce its footprint and achieve its targets which includes the formation of a company team that will replace generators, that use natural gas, with generators that make use of renewable energy sources such as solar and wind and to connect to a local renewable power grid. The evidence also indicates that the company is evaluating the installation of solar panels.</p> <p>The evidence indicates that the company is at the early stages of developing detailed action plans to reach its targets.</p>
<p>4.5.3.2. The operating company shall demonstrate progress toward its greenhouse gas reduction targets.</p>		<p>The evidence reviewed includes the Sustainability Report 2020 (July 2021, page 29), and indicates that the company has reduced its GHG intensity by 15% since setting its first reduction target in 2019, which demonstrates progress towards its greenhouse gas reduction targets.</p>
<p>4.5.3.3. The operating company shall demonstrate that it has investigated greenhouse gas reduction strategies and shall document the results of its investigations.</p>		<p>The evidence reviewed includes the Sustainability Report 2020 (July 2021), which identifies GHG reduction opportunities at its operations based on a life cycle assessment for its Lithium Hydroxide and Lithium Carbonate production in the section Environment – Environmental Management and CO2e Footprint (page 24 and 25).</p>

		<p>The evidence indicates that the company is at the early stages of developing detailed action plans to reach its targets.</p> <p>The evidence does not include documentation such as reports, studies, or technical and/or economic feasibility to confirm that the company's proposed strategies to reduce its greenhouse gas emissions are sufficiently developed.</p>
<p>4.5.4.1. The greenhouse gas policy shall be publicly available.</p>	<p>●</p>	<p>The company's climate change policy is publicly available on its web page: http://livent.com/wp-content/uploads/2020/02/Livent-Climate-Change-Statement.pdf</p>
<p>4.5.4.2. On an annual basis, the operating company or its corporate owner shall:</p> <ol style="list-style-type: none"> a. Disclosure to IRMA auditors an accounting of its greenhouse gas emissions from the mining project; achievement of and/or progress towards mine-site-level greenhouse gas reduction targets; and efforts taken to reduce emissions from the mining project and mining-related activities; and b. Publicly report on mine-site-level or corporate-level greenhouse gas emissions, progress towards greenhouse gas reduction targets and efforts taken to reduce emissions. 	<p>●</p>	<p>The company:</p> <ol style="list-style-type: none"> a. has provided the audit team with an internal presentation on efforts to reduce its GHG emissions (Carbon Footprint of the Fenix Operation, August 2022) and the site's GHG emission data from year 2013 to 2021 (FNX Sustainability Metrics, September 2021); and b. publishes annually a Sustainability Report on its website, which reports on corporate-level greenhouse gas emissions, progress towards greenhouse gas reduction targets and efforts taken to reduce emissions.

4.6.1.1. Biodiversity, ecosystem services and protected areas screening, assessment, management planning, implementation of mitigation measures, and monitoring shall be carried out and documented by competent professionals using appropriate methodologies.

The evidence reviewed includes environmental baseline, biodiversity-related impacts assessments, management plans, mitigation measures, and environmental control programs (PCAs) prepared by external consultants equipped with teams of competent professionals with experience in best practice implementation indicates the company has enlisted the aid of competent professionals to conduct biodiversity screening, assessment, and monitoring.

The evidence reviewed also includes:

- CV of the Lead Biologist registered in the Single Registry of Expert Mining and/or Environmental Consultants of Catamarca Province, who advises on activities related to biodiversity.
- Summary of the qualifications of environmental team members involved with biodiversity monitoring. The team qualifications include biologists and PhD. biologists. The environmental team developed the Environmental Management Plan (Fenix Expansion, 2018) and PCAs for fauna, flora, and limnology components.

The methodologies are in line with generally accepted practices such as:

- Surveys to determine the status, richness, and abundance of terrestrial fauna groups (mammals, birds, reptiles, amphibians and lepidoptera), in more than 10 sampling sites in the operation area and the area of influence including the basins of the Peñas Blancas and Trapiche Rivers, Los Patos and Aguas Calientes Rivers, areas nearby the mine camp and the neighboring Processing Plant and other areas located to the south that were considered relevant (Catal and Escondida Lagoons, Lagunillas Saladas and the Wetland

del Hombre Muerto). Considering impacts on these groups, conservation status and actions to avoid future potential impacts (PCA – Fauna component, 2020).

- Plots and observation points in the Trapiche Wetland, area of influence, and Los Patos area, to survey the flora characterization and vegetation type (PCA – Flora component, 2021).
- Characterization of physiochemical parameters of water, aquatic macroinvertebrates characterization, phytoplankton, and phytobenthic characterization (PCA – Limnology component, 2021).

4.6.1.2. Biodiversity, ecosystem services and protected areas screening, assessment, management planning, and the development of mitigation and monitoring plans shall include consultations with stakeholders, including, where relevant, affected communities and external experts.

The evidence reviewed includes environmental baseline, biodiversity assessment, management, mitigation, and ECPs (ESIA 2018) and a sample of roundtable meeting minutes between the company, governmental authorities, community representatives and stakeholders (Bitácora del Diálogo, March, July, August, October, and November 2021) and other participatory activities, and indicate the company consults with stakeholders including affected communities and external experts in its screening, assessment, and management plans (i.e., monitoring, mitigation):

- The company's implementation of the Trapiche Wetland area (Trapiche Wetland Restoration Project Report February 2022).
- Participation in Trapiche Wetland activities by communities, EcoConciencia, a contractor, and company staff (August 2021).
- Roundtable meeting minutes (July 2021) that include a signed agreement on the restoration of the Trapiche Wetland in support of the company's restoration of biodiversity activities by stakeholders and (August 2021) that provide stakeholder suggestions on water quality and quantity monitoring and systems.
- A sample of notifications from governmental authorities to submitted PCA's including requests for the company to

provide more information or make changes to the PCAs (Notification Form 071-20, August 2020, and Notification Form 091-21, December 2021) and the company's response letters to these notifications (Response letter 071-20, November 2020, and Response letter 091-21, January 2022), indicate that the company's screening, assessment, management planning, and development of mitigation and monitoring plans are informed by the consultation of governmental authorities.

Interviews with a sample of stakeholders, government representatives and key staff confirm consultation has occurred (primarily 2017 and after) and is ongoing. Besides local stakeholders, the IRMA audit attracted the interest of an international researcher conducting studies in avian migration and habitat related to flamingo species in the Puna and commented on the need for further research in cooperation by Salar users. Refer to International Finance Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012).

4.6.1.3. Biodiversity, ecosystem services and protected areas impact assessments, management plans and monitoring data shall be publicly available, or made available to stakeholders upon request.

The evidence reviewed includes interviews with a sample of stakeholders, government representatives and key staff, and indicates that the company has processes for making information available to stakeholders: through individual requests, through access via national (Argentina) and local (Catamarca) government, and through person-to-person meetings and roundtables, and through visits to the company office in Antofagasta de la Sierra. The local law (No. 25675 - General Environmental Law) indicates that all environmental technical procedures to resolve the viability of a mining project are developed through an Environmental and Social Impact Assessment (ESIA), Environmental Impact Statement (Declaración de Impacto Ambiental – DIA) or a Certificate of Environmental Aptitude (Certificado de Aptitud Ambiental – CAA) and are public under Argentina law. The Fenix ESIA (2018) was publicly available in the Mining Secretariat during the document review period, the public participation, and the authorization of

these documents by the government. The ESIA is available upon request (Law 27.275 – Access to public information), as well as other documents (i.e., Campamentos DIA (2019) for the construction of new camps, Fenix Expansion DIA (2019), and PCAs including the fauna, flora, limnology components, and flora in Trapiche Wetland subcomponent.

4.6.2.1. **Critical.** New and existing mines shall carry out screening or an equivalent process to establish a preliminary understanding of the impacts on or risks to biodiversity, ecosystem services and protected areas from past and proposed mining-related activities.

The evidence reviewed includes :

- Fenix Expansion ESIA (2018),
- Trapiche Environmental Diagnosis (Diagnóstico Ambiental – DA)
- Interviews with stakeholders during the preparation of the Social PCA (Fenix ESIA, 2018),
- First dialogue meeting organized by the EcoConciencia Foundation (2019),
- Environmental Management Plan for the construction and operation phases, considering all measures related to water, flora, fauna, and landscape components (Fenix ESIA, 2018),
- PCAs including the water quality (2015), air quality (2018) and fauna (2016) components.

as well as interviews with a sample of stakeholders and key company staff, and indicates that the company has engaged competent biologists to undertake baseline screening to establish a preliminary understanding of the impacts on or risks to biodiversity, ecosystem services and protected areas from the mining operation, including past and potential future risks, and this screening is ongoing through company and government-led consultation with stakeholders.

- 4.6.2.2. Screening shall include identification and documentation of:
- a. Boundaries of legally protected areas in the mine's actual or proposed area of influence, and the conservation values being protected in those areas;
 - b. Boundaries of Key Biodiversity Areas (KBA) in the mine's actual or proposed area of influence, the important biodiversity values within those areas and the ecological processes and habitats supporting those values;
 - c. Areas of modified habitat, natural habitat and critical habitat within the mine's proposed or actual area of influence, and the important biodiversity values (e.g., threatened and endangered species) present in the critical habitat areas; and
 - d. Natural ecosystems or processes within the mine's proposed or actual area of influence that may or do provide provisioning, regulating, cultural and supporting ecosystem services.

The evidence reviewed includes a map of Biosphere Reserves and Protected Areas (July 2017), the Trapiche Wetland Revaluation Project (2020), and Fenix ESIA (October 2018), and indicates that the company has:

- e. identified protected area boundaries near the project area including the Laguna Blanca Biosphere Reserve (approximately 130 Km from Fenix Project) and findings of other boundary surveys including:
 - Biosphere Reserves.
 - National Protected Areas.
 - Ramsar Sites.
 - Provincial Protected Area;
- c. identified areas of natural, critical, and modified habitat, and
- d. natural ecosystems and processes supporting provisioning, regulating, cultural and supporting ecosystem services.

The evidence does not include information to confirm screening for:

- b. Key Biodiversity Areas (KBA) or other conservation values being protected (i.e., Alliance for Zero Extinction (AZE), Important Biodiversity Areas (IBA) and Important Plant Areas (IPA), among others).

Refer to the Performance Standard 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources Guidance Notes by the IFC (2012) and Birdlife International's Toolkit for Ecosystem Service Site-based Assessment (TESSA). Note that assessment relating to the construction of the Los Patos aqueduct is outside the scope of this audit.

- 4.6.3.1. When screening identifies protected areas or areas of potentially important global, national, or local biodiversity or ecosystem services that have been or may be affected by mining-related activities (e.g., KBAs, critical habitat, threatened or endangered species), the

The evidence reviewed includes the Fenix ESIA (2018), and associated stakeholder input indicates that the company carried out impact assessments which included a summary of key biodiversity values and protected species. The assessment covered the characterization of the impacts on the environmental and social components: water, geomorphology, atmosphere, soil, flora, fauna, ecological processes, sociocultural and visual scope. Likewise, the

operating company shall carry out an impact assessment that includes:

- a. Establishment of baseline conditions of biodiversity, ecosystem services and, if relevant, conservation values (i.e., in protected areas) within the mine's proposed or actual area of influence;
- b. Identification of potentially significant direct, indirect and cumulative impacts of past and proposed mining-related activities on biodiversity, ecosystem services and, if relevant, on the conservation values of protected areas throughout the mine's lifecycle;
- c. Evaluation of options to avoid potentially significant adverse impacts on biodiversity, ecosystem services and conservation values of protected areas, prioritizing avoidance of impacts on important biodiversity values and priority ecosystem services; evaluation of options to minimize potential impacts; evaluation of options to provide restoration for potential and actual impacts; and evaluation of options to offset significant residual impacts (see 4.6.4.1 and 4.6.4.2); and
- d. Identification and evaluation of opportunities for partnerships and additional conservation actions that could enhance the long-term sustainable management of

Company developed environmental control plans to mitigate relevant impacts related to mine activities as presented in a sample of evidence:

- Characterization and description of environmental impacts in Chapter 4, Fenix ESIA (October 2018).
- PCAs include water quality (2015), air quality (2018), limnology (2021), flora (2021) and fauna (2020) components.
- Environmental Management Plan of Fenix Project (Fenix ESIA, October 2018).
- Characterization of potential environmental or social impacts such as water, geomorphology, atmosphere, soil, flora, fauna, ecological processes, sociocultural and visual scope with accompanying PCAs to mitigate relevant impacts related to Fenix activities.
- Environmental Impact Inform – IIA, Resolución de Actividades Mineras (2021)
- Trapiche Wetland Restoration Project (multiple documents, 2020-present).

The documents indicate the company carried out impact assessments specific to the project and specific to the impoundment on the Trapiche River including:

- a. baseline conditions of key biodiversity values (only for flora, fauna, and limnology)
- b. Potentially significant direct, indirect, impacts on biodiversity
- c. options to mitigate and restore actual or potential impacts
- d. conservation actions in partnership with local stakeholders and government agencies to enhance the long-term sustainable management of biodiversity

The evidence indicates mitigation of the Trapiche Wetland is working as intended and is ongoing.

The evidence does not provide details to confirm impact assessments included a full review of ecosystem services such as

protected areas and/or biodiversity and ecosystem services.

springs. Note that assessment relating to the construction of the Los Patos aqueduct is outside the scope of this audit.

- 4.6.4.1. **Critical.** Mitigation measures for new mines shall:
- a. Follow the mitigation hierarchy of:
 - i. Prioritizing the avoidance of impacts on important biodiversity values and priority ecosystem services and the ecological processes and habitats necessary to support them;
 - ii. Where impacts are not avoidable, minimizing impacts to the extent possible;
 - iii. Restoring biodiversity, ecosystem services and the ecological processes and habitats that support them; and
 - iv. As a last resort, offsetting the residual impacts.
 - b. Prioritize avoidance of impacts on important biodiversity values and priority ecosystem services early in the project development process;
 - c. Be designed and implemented to deliver at least no net loss, and preferably a net gain in important biodiversity values, and the ecological processes that support those values, on an appropriate geographic scale and in a manner that will be self-sustaining after mine closure.

Not Relevant. Fenix is an existing mine.

4.6.4.2. At existing mines:

- a. Where past adverse impacts on important biodiversity values and priority ecosystem services have been identified, the operating company shall design and implement onsite restoration strategies, and also, through consultation with stakeholders, design and implement additional conservation actions to support the enhancement of important biodiversity values and/or priority ecosystem services on an appropriate geographic scale; and
- b. If there is the potential for new impacts on important biodiversity values or priority ecosystem services (e.g., as a result of mine expansions, etc.), the operating company shall follow the mitigation hierarchy, prioritizing the avoidance of impacts on important biodiversity values or priority ecosystem services, but where residual impacts remain, shall apply offsets commensurate to the scale of the additional (new) impacts.

The evidence reviewed includes the ESIA (2018), Trapiche Wetland Restoration Project Report (February 2022), as well as interviews with a sample of stakeholders, government representatives and key staff, and indicate the company has designed and implemented restoration strategies.

- c. Past mining activities have resulted in the drying up of the Trapiche Wetland. The company has developed and implemented the restoration of this area as indicated in the Trapiche Wetland Restoration Project Report (February 2022). This report indicates the approval of the Trapiche Wetland Restoration Project and measures to be considered for its implementation. Also, the affected and potentially affected communities, the EcoConciencia Foundation, a contractor, and the company staff have participated in the Trapiche Wetland activities from the first stage in August 2021. Meeting minutes of the roundtable with the company, government and stakeholders from July 2021 include a signed agreement on the restoration of the Trapiche Wetland indicating the support of the stakeholders in the company's restoration of biodiversity.
- a. The company is expanding its operation and Chapter 4, Fenix ESIA (2018) includes the characterization and description of environmental impacts of the expansion. Environmental Management Plans covering the construction and operation phases include restoration activities and mitigation measures for these new potential impacts on biodiversity and ecosystem services. The evidence, PCAs for Flora, Fauna, and Limnology (2020-2021), further indicates that the company actively monitors key biodiversity components to determine whether any new impacts are occurring and has developed mitigation strategies. These PCAs indicate that there were no changes in the specific species richness, attributable to the activities of the company and that the company favors avoidance over mitigation or remediation.

4.6.4.3. Offsetting, if required, shall be done in a manner that aligns with international best practice.

The Trapiche Wetland restoration project is considered an offset activity. The evidence reviewed includes:

- Trapiche Wetland Restoration Technical Report – Stage III, which includes all planning, implementation, and evaluation activities.
- Altiplano Mining Activities Resolution (August 2021), which presents the Ministry approval of the Trapiche Wetland Restoration Project and measures to be considered for its implementation.
- Methodology used in the Restoration of the Trapiche Wetland (Good Practices in Conservation and Restoration of High Andean Wetlands, 2021).

And indicates the company has a management plan considered to be best practice for the Andean Puna and has completed offsetting activities that includes measurable improvement, and this work is ongoing.

The evidence does not include net loss/net gain achievement methodology.

- 4.6.4.4. The operating company shall develop and implement a biodiversity management plan or equivalent that:
- a. Outlines specific objectives (e.g., no net loss/net gain, no additional loss) with measurable conservation outcomes, timelines, locations and activities that will be implemented to avoid, minimize, restore, enhance and, if necessary, offset adverse impacts on biodiversity and ecosystem services;
 - b. Identifies key indicators, and ensures that there is an adequate baseline for the indicators to enable

The evidence reviewed includes:

- Fenix Expansion ESIA (October 2018).
- Environmental Management Plan of Fenix Project (Fenix ESIA, October 2018).
- PCA – Fauna component, 2020.
- PCA – Flora component, 2021.
- PCA – Limnology component, 2021.
- Livent 2021 Goals and Targets.

And indicates that the company has developed and implemented biodiversity management plans with:

- a. Specific objectives to avoid, minimize, restore, enhance and, if necessary, offset adverse impacts on biodiversity and ecosystem services, and

<p>measurement of the effectiveness of mitigation activities over time;</p> <p>c. Provides a budget and financing plan to ensure that funding is available for effective mitigation.</p>		<p>b. Key indicators to enable measurement of the effectiveness of mitigation activities over time.</p> <p>The evidence does not include information to confirm the company has a budget and financing plan to ensure the effectiveness of the mitigation measures as in (c). Note that assessment relating to the construction of the Los Patos aqueduct is outside the scope of this audit.</p>
<p>4.6.4.5. Biodiversity management shall include a process for updating or adapting the management plan if new information relating to biodiversity or ecosystem services becomes available during the mine lifecycle.</p>	●	<p>The company has a process for updating biodiversity management plans as evidenced by:</p> <ul style="list-style-type: none"> - Periodically updates of the following PCAs: Fauna component in the Trapiche Wetland (November 2016; May 2021). Fauna component in Fenix Project (July 2020). Limnology component in Trapiche Wetland, Area of Influence, and Los Patos area (July 2021). Flora component in Trapiche Wetland, Area of Influence, and Los Patos area (August 2021). - Regular review of biodiversity monitoring information conducted by the Catamarca mining authority, and subsequent updates to its management plan by the company. - Updates related to expansions (i.e., Fenix Expansion ESIA (October 2018) and DIA (June 2019); and DIA (April 2019); Camps DIA (April 2019).
<p>4.6.5.1. An operating company shall not carry out new exploration or develop new mines in any legally protected area unless the applicable criteria in the</p>	—	<p>Not relevant. The evidence, Fenix Expansion ESIA (October 2018) and network map of Biosphere Reserves and Protected Areas (July 2017), indicates that the mine is not located within any legally protected areas.</p>

remainder of this chapter are met, and additionally the company:

- a. Demonstrates that the proposed development in such areas is legally permitted;
- b. Consults with protected area sponsors, managers and relevant stakeholders on the proposed project;
- c. Conducts mining-related activities in a manner consistent with protected
- d. Implements additional conservation actions or programs to promote and enhance the conservation aims and/or effective management of the area.

4.6.5.2. An operating company shall not carry out new mining-related activities in the following protected areas unless they meet 4.6.5.1.a through d, and an assessment, carried out or peer-reviewed by a reputable conservation organization and/or academic institution, demonstrates that mining-related activities will not damage the integrity of the special values for which the area was designated or recognized International Union for Conservation of Nature (IUCN) protected area management category IV protected areas; Ramsar sites that are not IUCN protected area management categories I-III; and Buffer zones of UNESCO biosphere reserves.

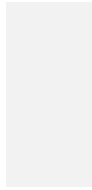
Not Relevant. The evidence, Fenix Expansion ESIA (October 2018) and Network map of Biosphere Reserves and Protected Areas (July 2017), indicates the mine is not located within the International Recognized Areas as the IUCN protected areas, Ramsar Sites, and buffer zones of UNESCO biosphere reserves.

<p>4.6.5.3. Critical. IRMA will not certify new mines that are developed in or that adversely affect the following protected areas:</p> <ul style="list-style-type: none"> - World Heritage Sites, and areas on a State Party's official Tentative List for World Heritage Site Inscription; - IUCN protected area management categories I-III; - Core areas of UNESCO biosphere reserves. 	—	<p>Not Relevant. The evidence, Fenix Expansion ESIA (October 2018) and Network map of Biosphere Reserves and Protected Areas (July 2017), indicates that the mine is not located within the International Recognized Areas as the IUCN protected areas, Ramsar Sites, and buffer zones of UNESCO biosphere reserves.</p>
<p>4.6.5.4. Critical. An existing mine located entirely or partially in a protected area listed in 4.6.5.3 shall demonstrate that:</p> <ol style="list-style-type: none"> a. The mine was developed prior to the area's official designation; b. Management plans have been developed and are being implemented to ensure that activities during the remaining mine lifecycle will not permanently and materially damage the integrity of the special values for which the area was designated or recognized; and c. The operating company collaborates with relevant management authorities to integrate the mine's management strategies into the protected area's management plan. 	—	<p>Not Relevant. The evidence, Fenix Expansion ESIA (October 2018) and Network map of Biosphere Reserves and Protected Areas (July 2017), indicates the mine is not located within the International Recognized Areas as the IUCN protected areas, Ramsar Sites, and buffer zones of UNESCO biosphere reserves.</p>
<p>4.6.6.1. The operating company shall develop and implement a program to monitor the implementation of its protected</p>	●	<p>The company has developed PCAs to monitor (bimonthly, quarterly, or semi-annual depending on the component) the implementation</p>

<p>areas and/or biodiversity and ecosystem services management plan(s) throughout the mine lifecycle.</p>		<p>of its Environmental Management Plan (Fenix ESIA, October 2018). The evidence reviewed includes:</p> <ul style="list-style-type: none"> - PCA – Fauna component in Trapiche Wetland (November 2016; May 2021). - PCA – Fauna component in Fenix Project (July 2020). <p>PCA – Limnology component in Trapiche Wetland, Area of Influence, and Los Patos area (July 2021).</p> <p>PCA – Flora component in Trapiche Wetland, Area of Influence, and Los Patos area (August 2021).</p> <ul style="list-style-type: none"> - Environmental Contingency Action Plan (Contingency Plan, October 2018), as part of its monitoring process.
<p>4.6.6.2. Monitoring of key biodiversity or other indicators shall occur with sufficient detail and frequency to enable evaluation of the effectiveness of mitigation strategies and progress toward the objectives of at least no net loss or net gain in biodiversity and ecosystem services over time.</p>	●	<p>The evidence reviewed includes:</p> <ul style="list-style-type: none"> - PCA – Fauna component in Trapiche Wetland (November 2016; May 2021), - PCA – Fauna component in Fenix Project (July 2020),, - PCA – Limnology component in Trapiche Wetland, Area of Influence, and Los Patos area (July 2021), - PCA – Flora component in Trapiche Wetland, Area of Influence, and Los Patos area (August 2021), and - Interviews a sample of stakeholders who acknowledge the biodiversity efforts of the company, including revegetation, are well monitored and progress communicated, <p>And indicates the company monitors key biodiversity indicators in support of key biodiversity objectives, including an evaluation of the effectiveness of mitigation strategies over time.</p>
<p>4.6.6.3. If monitoring reveals that the operating company's protected areas and/or biodiversity and ecosystem services objectives are not being achieved as expected, the operating company shall</p>	—	<p>Not relevant. The company has developed environmental monitoring programs (PCAs) to monitor potential changes that the key biodiversity components (i.e., flora, fauna, limnology) have due to the activities of the Fenix Project. According to the PCAs results and interviews with company management, biodiversity objectives</p>

define and implement timely and effective corrective action in consultation with relevant stakeholders.		are being met. Site observations confirmed that the waste brine ponds are maintained and used by fauna (i.e., flamingos, vicuñas, among others), which according to monitoring reports, do not represent a risk to these populations of fauna.
4.6.6.4. The findings of monitoring programs shall be subject to independent review.	●	The evidence reviewed includes three (3) monitoring report submissions (2021) prepared by external specialists and submitted to government specialists for independent review, and indicates the company's monitoring programs are subject to independent review.
Chapter 4.7—Cyanide Management		Basis for rating
4.7.1.1. If the operating company is eligible to be a signatory to the Cyanide Code, it shall obtain a certification of compliance in accordance with the requirements of the International Cyanide Management Institute (ICMI).	—	Chapter Not Relevant. Based on on-site observations and interviews, and the evidence provided, there is no indication that the mining project uses, stores, produces, or transports cyanide.
Chapter 4.8—Mercury Management		Basis for rating
4.8.1.1. A mining project with a mercury emission control system shall perform a mercury mass balance that assesses and documents the amount of mercury in waste rock and ore, and the amount of mercury during or after processing that is: a. Released to air and water;	—	Chapter Not Relevant. Based on on-site observations and interviews, and the evidence provided, there is no indication that the mining project uses, stores, produces, or transports mercury.

- b. Produced as by-product; and
- c. Resident in tailings ponds, waste rock dumps, or other mine waste facilities.



APPENDIX B – Corrective Action Plan

Chapter Number	Topic	Criteria Number	Criteria Name	Requirement Number	Requirement Text	Rating	Action Plan
1.2	Community and Stakeholder Engagement	1.2.2.	Engagement Processes	1.2.2.2.	<p>The operating company shall foster two-way dialogue and meaningful engagement with stakeholders by:</p> <ul style="list-style-type: none"> a. Providing relevant information to stakeholders in a timely manner; b. Including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders; c. Engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation; d. Soliciting feedback from stakeholders on issues relevant to them; and e. Providing stakeholders with feedback on how the company has taken their input into account. 	Substantially Meets	<ul style="list-style-type: none"> • Communication tools: <ul style="list-style-type: none"> - Develop interactive communication material for communities to improve the understanding and effectiveness of the message. This approach will make content more accessible, understandable and attractive, facilitating greater public participation and assimilation (videos, presentations and/or interactive maps, educational or simulation games) - Continue with permanent communication with the neighbors of the areas of influence of the Fenix Project. • Participatory monitoring: <ul style="list-style-type: none"> - Encourage the training provided by technical professionals from external organizations which promote the consolidation of productive systems from a sustainable perspective and citizen participation. - Promote the participation of the residents of the zone of influence in these trainings to facilitate their interpretation of the physical-chemical parameters that are measured in participatory monitoring.

1.3	Human Rights Due Diligence	1.3.2.	Assessment of Human Rights Risks and Impacts	1.3.2.1.	The operating company shall establish an ongoing process to identify and assess potential human rights impacts (hereafter referred to as human rights "risks") and actual human rights impacts from mining project activities and business relationships. Assessment of human rights risks and impacts shall be updated periodically, including, at minimum, when there are significant changes in the mining project, business relationships, or in the operating environment.	Substantially Meets	<ul style="list-style-type: none"> • Training for Fenix area of influence in human rights and modern slavery. • Training of the Community Relations team in Human Rights and modern slavery. • Include in the grievance mechanism the human rights category. Reinforce the dissemination of physical mailboxes in camp and in Antofagasta de la Sierra to introduce complaints. • Workshops for communities on human rights through the "Cooking Ideas" program. The "Cooking Ideas" program proposes a community approach through an inclusive proposal that enables both individual expression and intergenerational collective construction, within a framework of respect for minorities and beyond restrictive social stereotypes, aiming at inclusion, equality and equity.
1.4	Complaints and Grievance Mechanism and Access to Remedy	1.4.1.	Access to Operational-Level Complaints and Grievance Mechanism	1.4.1.1.	The operating company shall ensure that stakeholders, including affected community members and rights holders (hereafter referred to collectively as "stakeholders"), have access to an operational-level mechanism that allows them to raise and seek resolution or remedy for the range of complaints and grievances that may occur in relation to the company and its mining-related activities.	Substantially Meets	<ul style="list-style-type: none"> • Incorporate physical mailboxes in camp and in the office of Antofagasta de la Sierra to enter the complaint form anonymously. • Inform communities of these new tools for the grievance mechanism. • Reinforcement of informative talks on the grievance mechanism, including the anonymous format.
2.5	Emergency Preparedness and Response	2.5.1.	Emergency Response Plan	2.5.1.1.	All operations related to the mining project shall have an emergency response plan conforming to the guidelines set forth in United Nations Environment Programme, Awareness and Preparedness for Emergencies at the Local Level (APELL) for Mining.	Substantially Meets	<ul style="list-style-type: none"> • Reinforcement of training in the Emergency Response Plan (SF-PRC-015, August 2022). • Conduct simulations of different emergency response scenarios in Fenix.

2.5	Emergency Preparedness and Response	2.5.2.	Community and Worker Consultation	2.5.2.1.	<p>The emergency response plan shall be developed in consultation with potentially affected communities and workers and/or workers' representatives, and the operating company shall incorporate their input into the emergency response plan, and include their participation in emergency response planning exercises.</p>	Substantially Meets	<ul style="list-style-type: none"> • Conduct emergency response drills in the communities where chemical transport vehicles circulate. • Conduct training on emergency plans for members of the communities through which transport with chemicals circulates.
3.1	Fair Labor and Terms of Work Requirements	3.1.5.	Workers' Organizations and Agreements	3.1.5.1.	<p>The operating company shall provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. The mechanism, at minimum:</p> <ol style="list-style-type: none"> Shall involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution; Shall allow for anonymous complaints to be raised and addressed; Shall allow workers' representatives to be present, if requested by the aggrieved worker; and Shall not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements. 	Substantially Meets	<ul style="list-style-type: none"> • The aggrieved worker has the right to be accompanied by the labor union representative of which the worker is a member. For this reason, the investigation procedure (of the grievance mechanism) for Argentina will include an Appendix stating that workers' labor union representatives may be present if the aggrieved worker so requests.

4.1	Waste and Materials Management	4.1.5.	Mitigation of Risks and Management of Mine Waste Management Facilities	4.1.5.6.	<p>On a regular basis, the operating company shall evaluate the performance of mine waste facilities to:</p> <ul style="list-style-type: none"> a. Assess whether performance objectives are being met (see 4.1.4.2.a and 4.1.5.5); b. Assess the effectiveness of risk management measures, including critical controls (see 4.1.5.3); c. Inform updates to the risk management process (see 4.1.4.1.c) and the OMS (see 4.1.5.7); and d. Inform the management review to facilitate continual improvement (see 4.1.5.8). 	Substantially Meets	The environmental standards procedure shall include an indication that, in the event of a deviation in a periodic analysis of system performance, Non-conformity must be generated for the determination of cause and corrective and preventive actions and additionally a review of the Environmental Aspects and Impacts matrix, to determine if this deviation does not generate a new risk.
4.2	Water Management	4.2.4.	Monitoring and Adaptive Management	4.2.4.1.	<p>The operating company shall develop and document a program to monitor changes in water quantity and quality. As part of the program the operating company shall:</p> <ul style="list-style-type: none"> a. Establish a sufficient number of monitoring locations at appropriate sites to provide reliable data on changes to water quantity and the physical, chemical and biological conditions of surface waters, natural springs/seeps and groundwater (hereafter referred to as water characteristics); b. Sample on a frequent enough basis to account for seasonal fluctuations, storm events and extreme events that may 	Substantially Meets	<p>-The PCA Reports related to water will be modified, including trigger levels to provide early warning of negative changes in water characteristics.</p> <p>- Detection limits of the accredited laboratory will be controlled to assure that can detect contaminants at levels below the values in the IRMA Water Quality Criteria by End-Use Tables.</p>

					<p>cause changes in water characteristics;</p> <ul style="list-style-type: none"> c. Establish trigger levels and/or other indicators to provide early warning of negative changes in water characteristics; d. Sample the quality and record the quantity of mine-affected waters destined for re-use by non-mining entities; e. Use credible methods and appropriate equipment to reliably detect changes in water characteristics; and f. Use accredited laboratories capable of detecting contaminants at levels below the values in the IRMA Water Quality Criteria by End-Use Tables. 		
4.2	Water Management	4.2.4.	Monitoring and Adaptive Management	4.2.4.4.	<p>The operating company shall develop and implement an adaptive management plan for water that:</p> <ul style="list-style-type: none"> a. Outlines planned actions to mitigate predicted impacts on current and future uses of water and natural resources from changes in surface water and groundwater quality and quantity related to the mining project; and b. Specifies adaptive management actions that will occur if certain outcomes (e.g., specific impacts), indicators, thresholds or trigger levels are reached, and timelines for their completion. 	Substantially Meets	- Water-related PCA will be reviewed, to analyze adaptive management actions and assign timelines for completion of mitigation/control measures.

