

AUDITING THE ESIA CHAPTER (2021)

Background

As its title suggests, *Chapter 2.1—Environmental and Social Impact Assessment and Management* addresses both environmental and social impact assessment (ESIA), as well as the overall management (e.g., selection of mitigation strategies, implementation, monitoring) of environmental and social impacts over the life of the mine.

Environmental and Social Impact Assessment typically takes place as part of the regulatory approval process for a mine (i.e., before a mine is developed). The primary purpose of ESIA is to identify, in a comprehensive manner, the potential environmental and social impacts that could occur as a result of the development, operation, decommissioning and closure of a mine, and to examine alternative design/development scenarios to avoid significant potential impacts or otherwise develop mitigation measures for them. In some cases, if significant potential impacts cannot be adequately avoided, mitigated or offset, regulatory bodies may deny approval of a project.

Ideally, there is stakeholder notification of the ESIA process, stakeholder engagement in the process, and stakeholder review of the draft and final reports, as well as publication of ESIA procedures and results.

Challenges with current auditing approach

Currently, the ESIA requirements in Chapter 2.1 can be marked “Not Relevant” if mines were not required to carry out an ESIA by a regulatory agency or external entity (such as an international finance institution). The rationale is that it would be unfair to hold existing mines to certain best practices when they were not expected to meet them at the time that the mine was developed. Additionally, to ask those mines to subsequently undertake a full ESIA process solely to meet the IRMA Standard would be expensive, with some elements being of questionable value (e.g. publicly announcing the development a mine project which has already been in existence for many years is clearly unnecessary), and would likely be a barrier to IRMA participation for many mines.

One of the unintended consequences of this exemption is that it creates a lower bar for those mines compared to existing mines that *were subject* to ESIA.

Currently, when a mine has carried out an ESIA, it must meet the ESIA requirements in the IRMA Standard, which are set at a higher bar than what is required by law in many countries. Because of this, it is likely that many mines won’t achieve a “fully meets” rating on the IRMA ESIA requirements because they weren’t required to do so when they carried out their ESIA years or decades before. So, in effect, these mines will likely score lower than mines that never carried out ESIA. Yet they have done more to assess their impacts.

Setting different bars for different mines was never the intent. Nor was creating a system where mines that are doing more end up with a lower score. This proposal seeks to set the bar at the same level for all existing mines.

Approach going forward

Recognizing that many existing mines will not have been subject to rigorous ESIA requirements, and recognizing that it is not reasonable to expect existing mines to undertake a new, full ESIA process, the proposal is for IRMA to take the approach that it has taken with other chapters (i.e., require that existing mines demonstrate **they are meeting the intent** and not the letter of the requirements). For example, where the wording of a requirement includes a no-longer reachable timeline (e.g., “stakeholder engagement shall begin prior to or during mine planning. . .”), existing mines are only expected to demonstrate that they are *currently* engaging with stakeholders.

As mentioned earlier, **the intent of ESIA** is that a mine thoroughly identifies, in a comprehensive manner, the potential environmental and social impacts that could occur as a result of the development, operation, decommissioning and closure of a mine, and that it examines scenarios to avoid significant potential impacts, and where that is not possible, develops mitigation measures for them.

In 2021, existing mines have two options related to ESIA requirements:

Option 1: Existing mines can be audited against IRMA’s existing ESIA requirements. Some mines, especially newer ones, may want to demonstrate to the world that they have met (in full or part) these best practices in ESIA.

Option 2: Existing mines that were not subject to ESIA, or did carry out ESIA but not according to what is now considered best practice, do not need to be assessed against all of the IRMA ESIA requirements. Rather, they will be asked to demonstrate that they have implemented practices, either during ESIA (if it occurred) or subsequently, that meet the intent of a select set of IRMA’s ESIA requirements (2.1.3.1, 2.1.9.1 and 2.1.10.1) referred to as **Core ESIA Requirements**. (See Table 1).

- The **Core ESIA Requirements** expect that all existing mines determine the range of potential social and environmental impacts (or risks) of their operation, engage with stakeholders during that process, and be transparent about the potential impacts/risks.¹
- **Core ESIA Requirements** are based on original IRMA requirements, but the language has been adapted slightly to increase the clarity of what is being asked of existing mines.
- Table 1 also includes Notes and Examples of Evidence to further clarify expectations for mines and auditors.

In both options, all of the Chapter 2.1 requirements relating to the mine’s environmental and social management system will still be audited (see Table 2).

¹ This type of evaluation is something that any mine would need to do to set up an effective environmental management system. For example, ISO 14001 says that “When planning for the environmental management system, the organization shall . . . determine the risks and opportunities, related to its environmental aspects, compliance obligations and other issues and requirements. . .” These include both potential and actual conditions, and the needs and expectations of interested parties. (See, for example, requirements 6.1.1 and 4.1. ISO 14001:2015(E). Environmental Management Systems).

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Table 1. Core ESIA Requirements for Existing Mines

| Existing ESIA requirement | Wording of the Core ESIA Requirements for existing mines | Notes on the Core ESIA Requirements | Examples of evidence |
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| <p>2.1.3.1. Critical 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.</p> | <p>2.1.3.1. Critical 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>The intent of this requirement is that mines demonstrate that they have made a good faith effort to identify, in a comprehensive manner, the range of potential impacts that mining activities may have on the environment, or on the health, safety, cultural heritage and livelihoods of individuals or communities.</p> <p>The evaluation should determine which potential impacts are expected to be significant.</p> <p>Mines will be audited on the comprehensiveness of their evaluations. As per ESIA requirement 2.1.3.3, any evaluation will be expected to take into consideration:</p> <ol 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 operation through post-closure; b. Direct, indirect and cumulative impacts; and c. Potential impacts of extreme events. <p>Potential impacts that are identified as being significant would then be included as issues to be mitigated and monitored as part of the mine's environmental management system (see requirement 2.1.7.2).</p> | <ul style="list-style-type: none"> • An exercise, such as scoping, that has identified the potential significant impacts or risks related to the current mining operation. • An evaluation such as a comprehensive risk assessment that includes a broad range of risks/potential impacts, as well as their potential likelihood and consequence. |
| <p>2.1.9.1. As part of the ESIA process, the operating company shall provide for timely and effective stakeholder and rights holder (hereafter collectively referred to as stakeholder) consultation, review and comment on:</p> <ol style="list-style-type: none"> a. The issues and impacts to be considered in the | <p>2.1.9.1. The operating company shall consult with relevant stakeholders in the identification and evaluation of potential environmental and social impacts associated with the mine.</p> | <p>The intent of this requirement is that mines take the input and opinions of relevant stakeholders into account when identifying and evaluating which potential impacts/risks are significant.</p> <p>Recognizing that some evaluations may have already taken place without stakeholder consultation, mines can demonstrate that they meet this requirement by sharing the results of any evaluation with stakeholders, providing stakeholders with an opportunity to provide feedback, and updating the evaluation if necessary.</p> <p>Note that later in the chapter there is also the expectation that stakeholders be engaged in the development of</p> | <ul style="list-style-type: none"> • Documented plan for stakeholder consultations. • Documentation of actions, such as public postings (posters, signs, handbills), letters, emails, website information, public meetings, and other outreach designed to inform stakeholders about the opportunity for stakeholder consultation. |

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| <p>proposed scope of the ESIA;</p> <p>b. Methodologies for the collection of environmental and social baseline data (see 2.1.4);</p> <p>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);</p> <p>d. Options and proposals to mitigate the potential impacts of the project (see 2.1.5.1.c);²</p> <p>e. Provisional conclusions and recommendations of the ESIA, prior to finalization (see 2.1.6.1); and</p> <p>f. The final conclusions and recommendations of the ESIA (see 2.1.6.1).</p> | | <p>mitigation requirements as per 2.1.9.2, which says: “The operating company shall encourage and facilitate stakeholder participation, where possible, in the collection of data for the ESIA, and <u>in the development of options to mitigate the potential impacts of the project during and subsequent to the ESIA process.</u>”</p> <p>“Relevant stakeholders” include those who may be interested in or affected by the mining operation. These stakeholders should have already been identified as per Chapter 1.2, requirement 1.2.1.1, which says: “The operating company shall undertake identification and analysis of the range of groups and individuals, including community members, rights holders and others (hereafter collectively referred to as “stakeholders”) who may be affected by or interested in the company’s mining-related activities.” If stakeholder identification has not occurred, the company would be expected to have carried out a stakeholder identification process prior to engaging stakeholders in the identification and evaluation of potential environmental and social impacts associated with the mine.</p> | <ul style="list-style-type: none"> • Documentation of stakeholder participation (e.g., minutes from meetings, sign-up sheets, written comments/submissions). |
| <p>2.1.10.1. The ESIA report and any supporting data and analyses shall be made publicly available.</p> | <p>2.1.10.1. At minimum, a summary of the significant environmental and social impacts and risks associated with the mining operation shall be made public.</p> | <p>The intent of this requirement is that mine are transparent about the potential significant impacts and risks associated with their operations.</p> <p>At minimum, it is expected that a summary of the significant impacts and risks identified and evaluated be shared publicly, so that stakeholders are aware of the issues that are being considered as the most pressing to be addressed by the mine.</p> | <ul style="list-style-type: none"> • Links to websites where information is available. • Locations of community facilities where copies are available (e.g., library, public building). • Confirmation from stakeholders that the mine has provided access at public meetings, or mailed copies, etc. |

² Note: this is required in 2.1.9.2, below, which is why it is not included in the Core requirement.

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Table 2. How to score requirements if assessing against the **Core ESIA Requirements for existing mines**

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| 2.1.1. General Requirements | |
| 2.1.1.1. An Environmental and Social Impact Assessment (ESIA), appropriate to the nature and scale of the proposed <u>mining project</u> 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. | Do Not Assess or Score |
| 2.1.1.2. To enable a reasonable estimation of potential impacts related to the <u>mining project</u> , 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. | Do Not Assess or Score |
| 2.1.1.3. The ESIA shall be carried out in accordance with publicly available, documented procedures. | Do Not Assess or Score |
| 2.1.2. Provision of Preliminary Information | |
| 2.1.2.1. Prior to the implementation of the ESIA process the <u>operating company</u> 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 <u>inform</u> potentially affected and interested <u>stakeholders</u> in potentially <u>affected communities</u> about the proposed project. | Do Not Assess or Score |
| 2.1.2.2. Prior to the implementation of the ESIA process the <u>operating company</u> shall prepare a report and publish it on the <u>operating company's</u> external website, in the official national language(s) of the country in which the <u>mining project</u> is proposed to take place. The report shall provide: <ul style="list-style-type: none"> 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 <u>mitigate</u> 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 <u>stakeholder</u> participation in the process; and d. Contact details for the person or team responsible for management of the ESIA. | Do Not Assess or Score |
| 2.1.3. Scoping | |
| CORE ESIA REQUIREMENT: 2.1.3.1. Critical The <u>operating company</u> shall carry out a scoping process to identify all potentially significant social and environmental impacts of the <u>mining project</u> to be assessed in the ESIA; demonstrate that it has undertaken a comprehensive evaluation of potential environmental and social impacts associated with the mining operation. | Assess and Score Core Requirement |
| 2.1.3.2. During scoping, the <u>operating company</u> shall identify <u>stakeholders</u> and <u>rights holders</u> (hereafter, collectively referred to as "stakeholders") who may be interested in and/or affected by the proposed project. | Do Not Assess or Score |

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| <p>2.1.3.3. Scoping shall include the consideration of:</p> <ol style="list-style-type: none"> a. Social impacts (including potential impacts on communities and <u>workers</u>) and environmental impacts (including potential impacts on wildlife, air, water, vegetation and soils) during all stages of the project lifecycle, from pre-construction through <u>post-closure</u>; b. Direct, indirect and <u>cumulative impacts</u>; and c. Potential impacts of extreme events. | <p style="color: red;">Do Not Assess or Score</p> |
| <p>2.1.3.4. Scoping shall result in the identification of:</p> <ol style="list-style-type: none"> a. Potentially significant environmental and social impacts of the proposed project; b. Alternative project designs to avoid significant adverse impacts; c. Other actions to <u>mitigate</u> identified adverse impacts; and d. Additional information and data needed to understand and assess the potential impacts. | <p style="color: red;">Do Not Assess or Score</p> |
| <p>2.1.4. ESIA Data Collection</p> | |
| <p>2.1.4.1. <u>Baseline</u> 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 <u>mining project</u>.</p> | <p style="color: red;">Do Not Assess or Score</p> |
| <p>2.1.4.2. Additional studies shall be carried out as necessary to fulfill the information needs of the ESIA.</p> | <p style="color: red;">Do Not Assess or Score</p> |
| <p>2.1.5. ESIA Impact Analysis</p> | |
| <p>2.1.5.1. The <u>operating company</u> shall:</p> <ol 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 <u>mitigate</u> predicted significant adverse impacts in line with the <u>mitigation hierarchy</u>, prioritizing the <u>avoidance</u> of impacts through consideration of alternative project designs; and d. Determine the relative importance of <u>residual impacts</u> (i.e., impacts that cannot be mitigated) and whether significant residual adverse impacts can be addressed to the satisfaction of affected or relevant <u>stakeholders</u>. | <p style="color: red;">Do Not Assess or Score</p> |
| <p>2.1.6. ESIA Report</p> | |
| <p>2.1.6.1. The <u>operating company</u> shall prepare an ESIA report that includes, at minimum:</p> <ol style="list-style-type: none"> a. A description of the proposed <u>mining project</u>; b. Detailed description of the direct, indirect and <u>cumulative impacts</u> likely to result from the project, and identification of significant adverse impacts; c. Description of the alternatives considered to avoid and <u>mitigate</u> significant adverse impacts in line with the <u>mitigation hierarchy</u>, and the recommended measures to avoid or mitigate those impacts; d. A review of the public <u>consultation</u> process, the views and concerns expressed by <u>stakeholders</u> and how the concerns were taken into account; and e. Names and affiliations of ESIA authors and others involved in technical studies. | <p style="color: red;">Do Not Assess or Score</p> |

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| 2.1.7. Environmental and Social Management System (ESMS) | |
| 2.1.7.1. The <u>operating company</u> shall develop and maintain a system to manage environmental and social risks and impacts throughout the life of the mine. | Assess and Score |
| 2.1.7.2. An environmental and social management plan (or its equivalent) shall be developed that, at minimum: <ul style="list-style-type: none"> a. Outlines the specific <u>mitigation</u> actions that will be carried out to address significant environmental and social impacts identified during and subsequent to the ESIA process; b. Assigns personnel responsible for implementation of various elements of the plan; and c. Includes estimates for the resources needed to implement the plan. | Assess and Score |
| 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. | Assess and Score |
| 2.1.8. Environmental and Social Impact Monitoring | |
| 2.1.8.1. As part of the ESMS, the <u>operating company</u> shall establish a program to monitor: <ul style="list-style-type: none"> a. The significant environmental and social impacts identified during or after the ESIA process; and b. The effectiveness of <u>mitigation</u> measures implemented to address environmental and social impacts. | Assess and Score |
| 2.1.8.2. The monitoring program shall be designed and carried out by <u>competent professionals</u> . | Assess and Score |
| 2.1.8.3. If requested by relevant <u>stakeholders</u> , the <u>operating company</u> shall facilitate the independent monitoring of key impact indicators where this would not interfere with the safe operation of the project. | Assess and Score |
| 2.1.9. Stakeholder Consultation and Participation in ESIA and Environmental and Social Monitoring | |
| CORE ESIA REQUIREMENT: 2.1.9.1. As part of the ESIA process, the <u>operating company</u> shall <u>provide for timely and effective stakeholder and rights holder (hereafter collectively referred to as stakeholder) consultation, review and comment on:</u> consult with relevant stakeholders in the identification and evaluation of potential environmental and social impacts associated with the mine. <ul style="list-style-type: none"> 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); | Score Core Requirement |
| 2.1.9.2. The <u>operating company</u> shall encourage and facilitate <u>stakeholder</u> participation, where possible, in the collection of data for the ESIA, and in the development of options to <u>mitigate</u> the potential impacts of the project during and subsequent to the ESIA process. | Assess and Score ESMS aspect only (development of mitigation options subsequent to ESIA) |
| 2.1.9.3. The <u>operating company</u> shall provide for timely and effective <u>stakeholder consultation</u> , review and comment on the scope and design of the environmental and social monitoring program. | Assess and Score |
| 2.1.9.4. The <u>operating company</u> shall encourage and facilitate <u>stakeholder</u> participation, where possible, in the implementation of the environmental and social monitoring program. | Assess and Score |

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| <p>2.1.9.5. The <u>operating company</u> shall record all <u>stakeholder</u> comments received in relation to <u>ESIA scoping; implementation; ESIA findings, conclusions and recommendations;</u> and the environmental and social monitoring program. The company shall record how it responded to <u>stakeholder</u> comments.</p> | <p style="color: red;">Assess and Score ESMS aspect only (monitoring program)</p> |
| <p>2.1.10. Environmental and Social Disclosures and Reporting</p> | |
| <p>CORE ESIA REQUIREMENT: 2.1.10.1. 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. At minimum, a summary of the potential significant environmental and social impacts associated with the mining operation shall be publicly available.</p> | <p style="color: red;">Assess and Score Core Requirement</p> |
| <p>2.1.10.2. The <u>operating company</u> shall make publicly available an anonymized version of the ESIA record of <u>stakeholder</u> comments and its own responses, including how each comment was taken into account.</p> | <p style="color: gray;">Do Not Assess or Score</p> |
| <p>2.1.10.3. The environmental and social management plan shall be made available to <u>stakeholders</u> upon request.</p> | <p style="color: red;">Assess and Score</p> |
| <p>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.</p> | <p style="color: red;">Assess and Score</p> |
| <p>2.1.10.5. The existence of publicly available <u>ESIA and</u> ESMS information, and the means of accessing it, shall be publicized by appropriate means.</p> | <p style="color: red;">Score ESMS aspect only</p> |