



Initiative for Responsible  
Mining Assurance

# Albemarle Atacama Audit Materials Packet

June 2023  
In English

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JUNE 2023

# Executive Summary

## Independent Assessment of Albemarle's Planta Salar de Atacama Lithium Operation

### Audit October 2021 - 2022

The audit was conducted by the IRMA approved and trained audit firm ERM CVS from October 2021 to October 2022. The onsite assessment occurred in April 2022, after which Albemarle elected to use the IRMA allowed corrective action period. In October 2022, ERM-CVS conducted a followup assessment; and in March 2023 they assigned the operation a performance score of IRMA 50.

#### Scoring:

- To be scored, the audit firm must first determine the site meets a set of 40 critical requirements. The auditor then scores the site against each of the IRMA Standard's 26 topic specific chapters
- The chapters are organized within 4 principles, and the score for each principle must meet or exceed the entire site's final performance score.
- Albemarle's principle scores ranged from 72.2% to 84.9% (see chart).

### Location

The operation is 190km southwest of Calama in Chile's El Loa Province in the Atacama desert. The area receives 20-60mm of rainfall/year. According to information presented in the audit, the area contains groundwater safe for human consumption (after potable water treatment), herding, and agriculture. It also contains salt-brines from which lithium is extracted. Industrial users and local communities (including Indigenous communities) have conflicting views regarding groundwater vulnerability.

### Interviews

The operation employs 250 workers and 455 contractors. The operation extracts a lithium-rich chloride brine from production wells, which is pumped into 75 evaporation ponds where the lithium chloride in the brine is concentrated due to water evaporation. Additional facilities include primary processing facilities to create a more concentrated brine, a potash plant that creates a potassium chloride product, and worker housing.

ERM CVS conducted interviews with 27 employees and contractors from several different departments chosen to represent different age groups; genders; years of experience; work groups; and operational, administrative, health care or union responsibilities. The worker interviews were conducted without Albemarle management personnel present.

To identify stakeholders relevant to the audit process and those who may be either directly or indirectly affected by Albemarle's operations, ERM CVS's social specialists used a stakeholder mapping process. Stakeholder groups were selected for engagement based on outcomes of the Stage 1 Assessment, a review of Albemarle's stakeholder database, and a desktop review of local media sources with a social conflict focus. In addition, prior to the audit, ERM CVS carried out a 2-day reconnaissance trip from 22 to 25 March 2022 to better understand the area impacted by the mine and the communities living within this area.

ERM CVS conducted meetings with representatives from several communities located proximal to the mine or considered to be within the mine's area of influence. These were Peine – 25 km east, Toconao – 63 km northeast, Talabre – 60 km northeast, and Camar – 45 km northeast. ERM CVS communicated and organized these meetings, which were conducted without Albemarle personnel present.

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
<b>Principle 1: Business Integrity</b>		<b>78</b>	<b>108</b>	<b>72.2%</b>
Chapter 1.1—Legal Compliance	Yes	11	14	79%
Chapter 1.2—Community and Stakeholder Engagement	Yes	23	30	77%
Chapter 1.3—Human Rights Due Diligence	Yes	13.5	22	61%
Chapter 1.4—Complaints Mechanism/Access to Remedy	Yes	11	22	50%
Chapter 1.5—Revenue and Payments Transparency	Yes	19.5	20	98%
<b>Principle 2: Planning for Positive Legacies</b>		<b>125.5</b>	<b>154</b>	<b>81.5%</b>
Chapter 2.1—Env/Soc Impact Assessment and Management	Yes	45.5	58	78%
Chapter 2.2—Free, Prior and Informed Consent	Yes	25.5	28	91%
Chapter 2.3—Community Support and Benefits	Yes	9.5	16	59%
Chapter 2.4—Resettlement	No	-	-	-
Chapter 2.5—Emergency Preparedness and Response	Yes	10	12	83%
Chapter 2.6—Planning/Financing Reclamation & Closure	Yes	35	40	88%
<b>Principle 3: Social Responsibility</b>		<b>135.5</b>	<b>182</b>	<b>74.5%</b>
Chapter 3.1—Fair Labor and Terms of Work	Yes	50	62	81%
Chapter 3.2—Occupational Health and Safety	Yes	38.5	46	84%
Chapter 3.3—Community Health and Safety	Yes	8	18	44%
Chapter 3.4—Conflict-Affected and High-Risk Areas	No	-	-	-
Chapter 3.5—Security Arrangements	Yes	21.5	30	72%
Chapter 3.6—Artisanal and Small-Scale Mining	No	-	-	-
Chapter 3.7—Cultural Heritage	Yes	17.5	26	67%
<b>Principle 4: Environmental Responsibility</b>		<b>115.5</b>	<b>136</b>	<b>84.9%</b>
Chapter 4.1—Waste and Materials Management	Yes	38.5	40	96%
Chapter 4.2—Water Management	Yes	32	36	89%
Chapter 4.3—Air Quality	Yes	11	14	79%
Chapter 4.4—Noise and Vibration	Yes	4.5	6	75%
Chapter 4.5—Greenhouse Gas Emissions	Yes	13	14	93%
Chapter 4.6—Biodiversity, Eco. Serv. and Protected Areas	Yes	16.5	26	63%
Chapter 4.7—Cyanide Management	No	-	-	-
Chapter 4.8—Mercury Management	No	-	-	-

## **MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT**

MINE SITE

PLANTA SALAR DE ATACAMA

OPERATING COMPANY

Albemarle

COUNTRY OF OPERATION

Chile

JUNE 2023

# 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 Albemarle mine and plant workers, governmental representatives, and members of affected communities for their participation in this audit.

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# Audit Details

<b>Name of Mine:</b>	Albemarle Planta Salar de Atacama
<b>Operating Company:</b>	Albemarle Limitada
<b>Mine Owner:</b>	Albemarle Limitada
<b>Country of Operation:</b>	Chile
<b>Mined Material(s):</b>	Concentrated lithium brine, potash, bischofite, halite, and sylvinitite
<b># Employees / contractors:</b>	250 workers and 455 contract workers at the time of audit
<b>Audit Type:</b>	Initial certification audit
<b>Audit Dates:</b>	Stage 1: 22 October – 22 December 2021 Stage 2: 25 – 29 April 2022 Follow-up Assessment: 4 – 6 October 2022
<b>Audit Team:</b>	Eduardo Huergo –Lead Assessor Beth Evans – Social Auditor, Lead Assessor Anibal Diaz – Environmental Health and Safety (EHS) Auditor Christian Cardenas – EHS Auditor Luz Martinez – Social Auditor Chantal Gougain – Social Support
<b>Lead Auditor Declaration:</b>	<p>✓ 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 audits.</p> <p>✓ The audit team members were deemed to have no conflicts of interest with the mine.</p> <p>✓ The audit team members were professional, ethical, objective and truthful in their conduct of audit activities.</p> <p>✓ The information in this report is accurate according to the best knowledge of the auditors who contributed to the report.</p>
<b>Scope of Certification</b>	Brine extraction, production, evaporation, associated maintenance, and ancillary services at the Albemarle Planta Salar de Atacama, Chile.
<b>IRMA Standard Version:</b>	IRMA Standard for Responsible Mining, v.1.0 (June 2018)
<b>Certification Body (CB):</b>	ERM CVS
<b>CB Technical Reviewer:</b>	Will Huggett
<b>IRMA Achievement Level:</b>	IRMA 50
<b>Achievement Decision Date:</b>	20 June 2023
<b>Achievement Valid Until</b>	19 June 2026 (contingent upon outcome of surveillance audit and continuous compliance with the IRMA independent audit processes)
<b>IRMA Reference Number:</b>	IRMA-STD-ERM-001-V-03600

# 1. Mine Site Overview

## 1.1. Overview of location

The Albemarle Salar Plant is located inside the mining concession area owned by Albemarle in the Salar de Atacama sector, in the commune of San Pedro de Atacama, El Loa Province, Antofagasta Region, 280 km from the city of Antofagasta. The operations are in the extreme east of the Antofagasta Region and close to the border with the republic of Argentina and the plurinational state of Bolivia. The communal area is 23,439 square kilometers and has an approximate population of 10,000 inhabitants, who are primarily clustered in the small populated areas of San Pedro de Atacama, Toconao, Socaire, and Peine. The nearest city, Calama, is approximately 190 kilometers by road to the northeast.

Salar de Atacama is located in the Central Andes of Chile, limited to the east by the Andes Mountains and to the west by the Domeyko Mountains. The Salar itself is completely flat over an extensive area at approximately 2,300 m above mean sea level (MAMSL) and has an area of approximately 3,500 km<sup>2</sup>. The flat terrain is the lowest area of the basin (depocenter) and the basin is endorrheic, meaning that all water received by the basin as precipitation flows to the depocenter. The Central Andean Plateau and the Atacama Desert are two important features that help generate lithium brines in the Central Andes.

The climate in this region is high altitude marginal desert, which receives 20 and 60 millimeters of rainfall per year, and mostly in the summer from January to March (SRK Consulting (U.S.), Inc. SEC Technical Report Summary – Salar de Atacama, August 2022). The main climatic feature in this region is extreme aridity. December to March has the hottest temperatures, reaching close to 35 degrees Celsius, with the winter months of June to August reaching -5 degrees Celsius. While the Salar de Atacama is one of the driest places on Earth, it does receive some water from rainfall and snow melt from the high mountains in the Andes. Groundwater safe for human consumption (after potable water treatment), herding, and agriculture can be sourced from the aquifers contained in the alluvial fans. However, beneath the salt crust of the Salar de Atacama lies a large reservoir of a salt-rich solution, the brine. Due to its high salt concentration, the brine is neither suitable for human consumption nor agriculture.

The Atacama Region is sparsely populated, with most towns located along the Pacific coast. Indigenous groups are present in localized areas around the north and east of the Salar de Atacama. Abandoned mines exist in the area as a result of a mining boom in sodium nitrate that occurred in the 19th century.

Antofagasta has an international airport, and the city of Calama has the closest commercial airport to the Salar. Albemarle's Planta Salar de Atacama has an airstrip for direct access, located at the south end of the Salar facilities, and has been designed for smaller jet and propeller-powered aircraft.

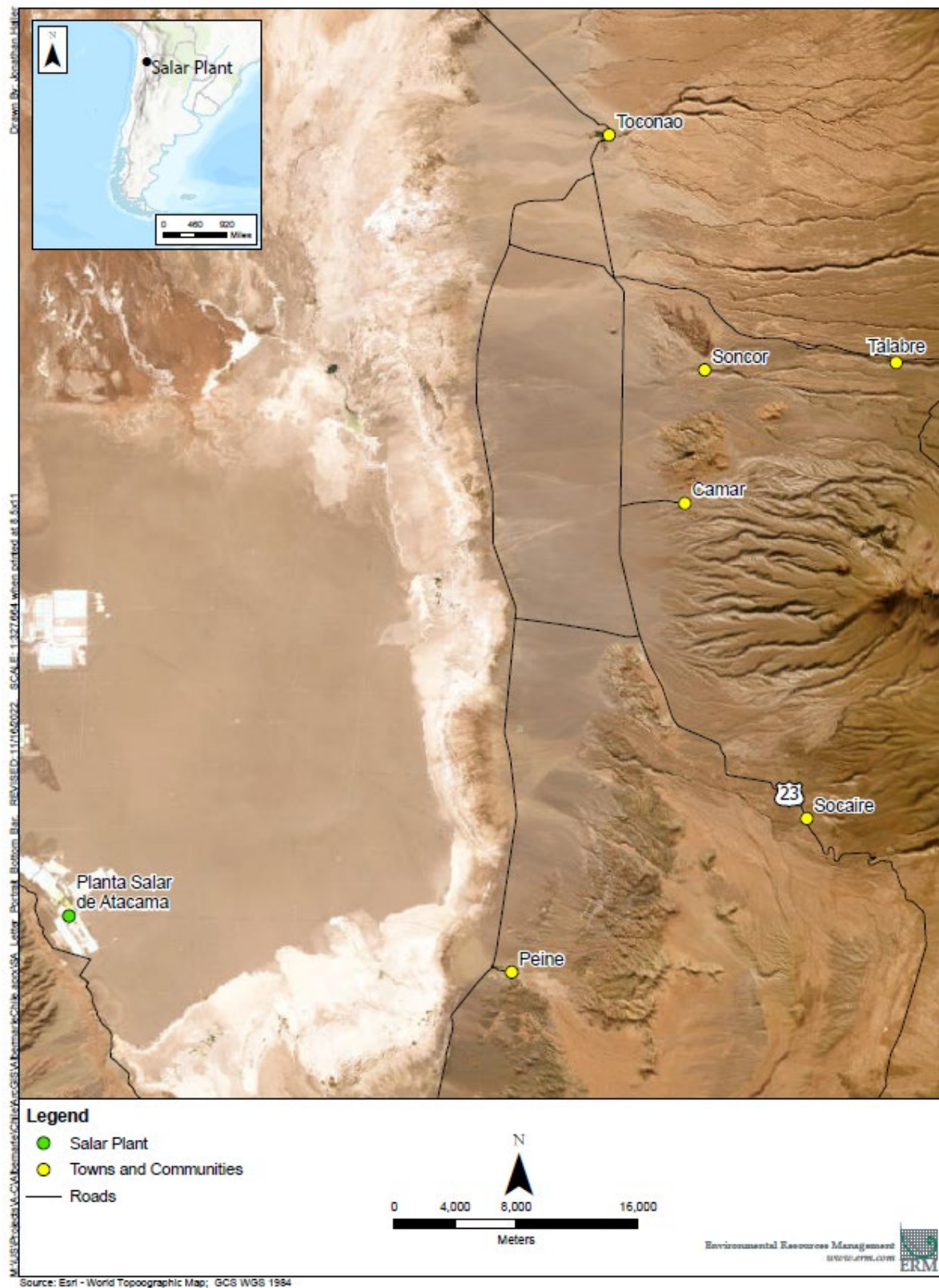


Figure 1 Location of Salar Plant and Surrounding Communities

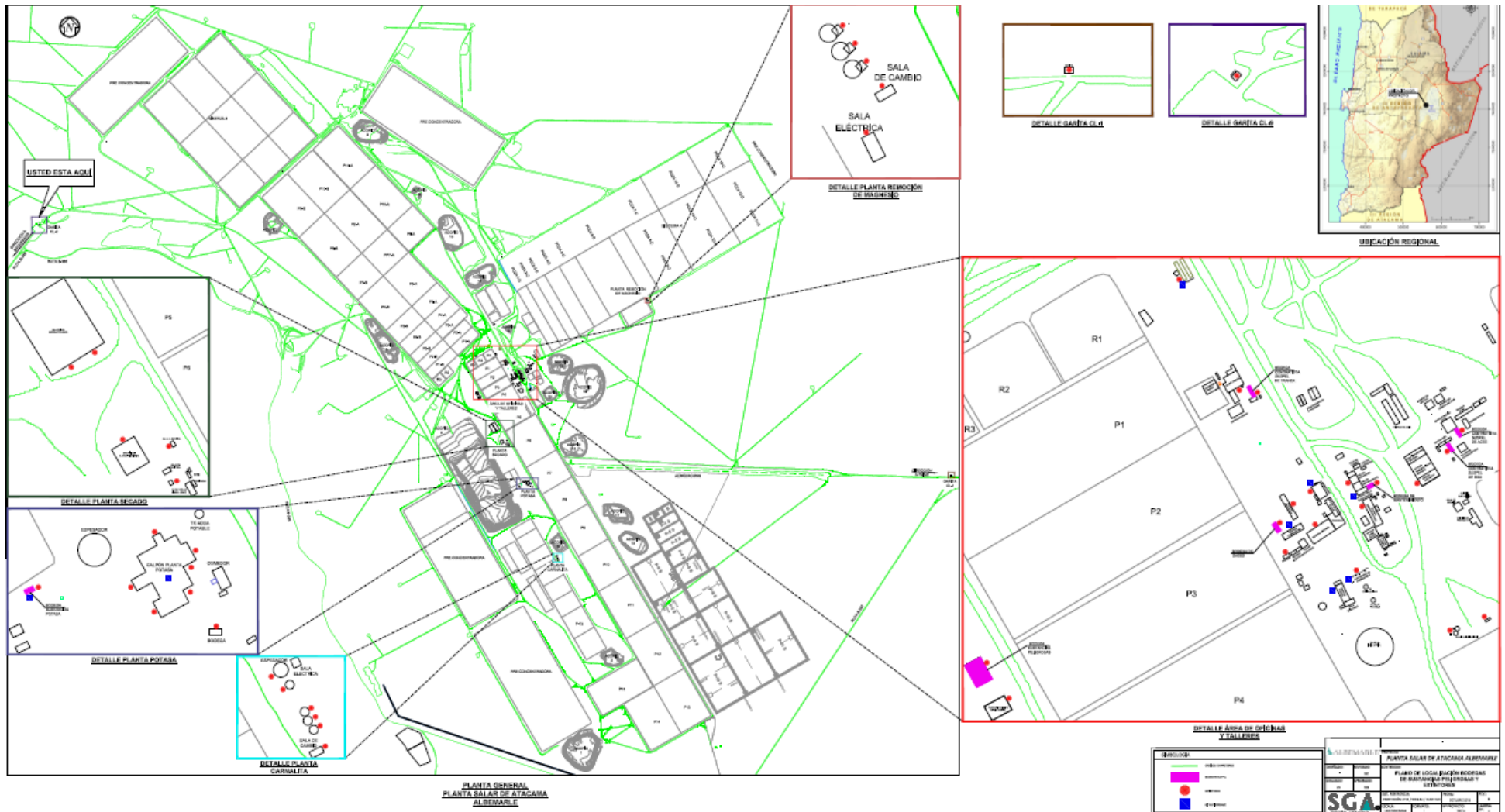
## 1.2. Overview of Operation

Albemarle's operations in Chile are developed in two areas, the Salar de Atacama and La Negra. At the Salar de Atacama, a lithium-rich chloride brine is extracted from production wells, which is pumped into evaporation ponds where the lithium chloride in the brine is concentrated due to water evaporation because of sun radiation. After it is concentrated, the brine is transported to the La Negra mineral processing plant, approximately 260 km away, for processing and converting the lithium chloride to lithium carbonate. The La Negra plant is located about 15 km to the east of Antofagasta city and is not included in the scope of this IRMA Assessment.

The Salar site includes the extraction operations of brine well fields, brine supply pipelines to evaporation ponds, primary processing facilities to create a concentrated brine, a potash plant that creates a potassium chloride product, and worker housing. Other associated facilities at the site include co-product storage areas, fuel storage and fueling system, airstrip, security guard house, warehouses, change room, dining room, administrative office building, maintenance facilities, operations building and laboratory. Currently, the Salar site has a total of 75 ponds and 6 concentrators.

### 1.2.1. Scope of activities and facilities included in audit

The scope of this IRMA Assessment is for Albemarle's Planta Salar de Atacama Lithium Brine Operation, including the extraction of lithium-rich brine, evaporation ponds and primary processing facilities, potash plant, worker housing, salt storage areas, fuel storage and fueling system, airstrip, security guard house, warehouses, change room, dining room, administrative office building, maintenance facilities, operations building and laboratory. The La Negra plant is not included in the scope of this IRMA Assessment.





## 2. Mine Site Assessment Process

### 2.1. Overview of IRMA Process

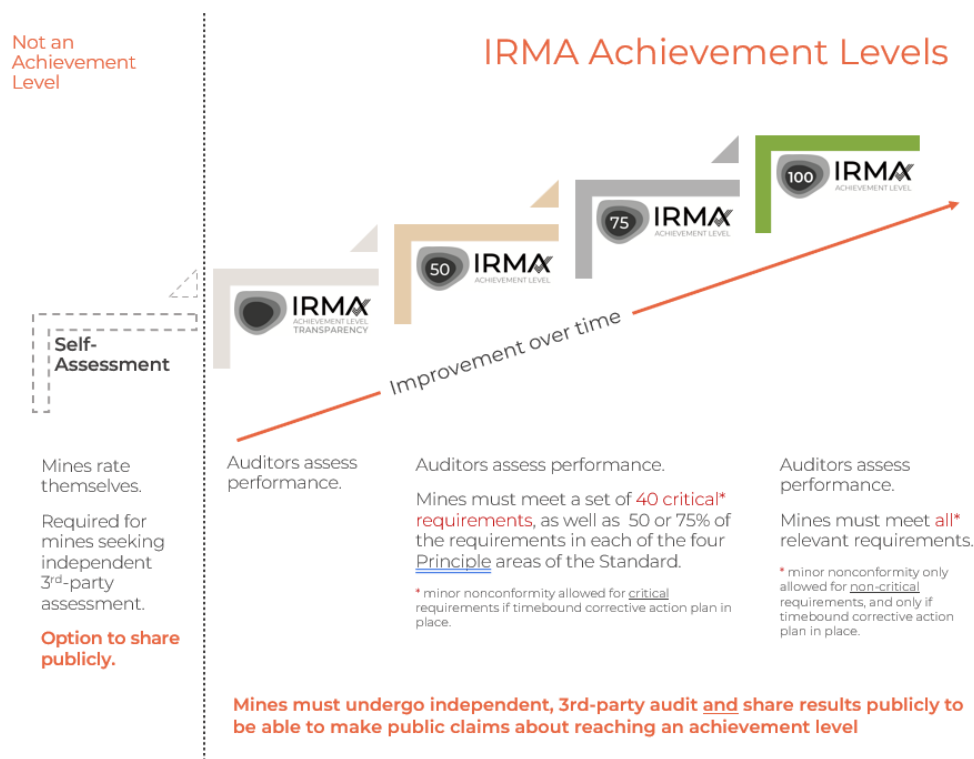
The mine site assessment process begins with mines completing a self-assessment and uploading evidence into an online tool (Mine Measure). When the self-assessment has been completed, the independent, third-party assessment may begin.

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 improve practices prior to commencing Stage 2.

Stage 2 is the onsite visit, which includes facility and site-based observations; additional review of materials; and interviews with mine site personnel, workers, and stakeholders, including 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 website.



### 2.1.1. Scope and Limitation of Audits

Within the IRMA system, the independent, third-party assessment is a process by which mines are assessed against the IRMA Standard for Responsible Mining by external auditors. Audits are 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). In addition to document review, audits include onsite visits of relevant facilities, review of records, and interviews with site personnel and relevant stakeholders.

Auditor evaluations are based on the collected audit evidence assessed against the requirements of the IRMA Standard for Responsible Mining. Audit evidence consists of samples of the information available at the time of the audit, within the limits of the existing data, scope of work, budget, and schedule.

While auditors apply an appropriate use of sampling, there is an element of uncertainty in auditing, and those acting upon the audit conclusions should be aware of this uncertainty.

### 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. Details on the complaints process can be found in IRMA's Issues Resolution Procedure.

## 2.2. Audit Process and Timeline

- Albemarle completed the initial self-assessment for the Salar site between July and September 2021.
- ERM CVS carried out an initial Stage 1 desktop audit between October and December 2021.
- ERM CVS conducted a Stage 2 onsite audit from 25 – 29 April 2022.
- Albemarle elected to use an IRMA-allowed early corrective action period to address certain shortfalls identified in the audit, which then required verification by ERM CVS.
- ERM CVS conducted a follow-up assessment from 4 – 6 October 2022 to verify the Salar site's corrective actions.

The onsite audit included a series of interviews with mine management, workers, community representatives, community members, local non-governmental organizations (NGOs), governmental agencies, documentation review (described further in Section 2.3), and visits to operational areas (see Section 2.4).

## 2.3. Stakeholder Engagement

IRMA requires that stakeholders be engaged as part of the mine site assessment process. Audits are publicly announced by IRMA and certification bodies, and prior to the onsite audit there is additional outreach carried out by certification bodies.

Thirty days prior to the onsite assessment, the Stage 2 Assessment was announced on the ERM CVS website, IRMA's website, and through IRMA's free email distribution newsletter. The announcement included an invitation to stakeholders to participate in the assessment. Further, ERM CVS prepared a similar announcement in Spanish that was distributed via email to representatives in the surrounding communities and posted on the ERM CVS website. Community representative contact details were obtained from Albemarle's stakeholder database. Albemarle published ERM CVS's announcement on its website and sent it to local media to inform stakeholders about the participation in the audit process.

### 2.3.1. Written comments/inquiries

ERM CVS did not receive any written comments or queries prior to or during the assessment. A written submission addressed to IRMA, however, was shared with ERM CVS following the Stage 2 onsite audit. The letter and subsequent interview with the stakeholder presented concerns about the potential impacts of lithium mining on flamingo populations in high-altitude, arid environments. Further concern highlighted the need for increased caution and cooperation by mining companies in protecting and facilitating scientific research of flamingo populations in mine-affected areas. The information from the letter and stakeholder interview has been taken into consideration in our assessment. The letter was also shared with Albemarle for their consideration.

### 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.

Name	Position/Role
Cristina Lozano	Head of Administration
Paulette San Martin	Head of Environmental Monitoring
Felipe Rodríguez	Head of Environment Salar Plant
Juan Bravo	Head of Salts Harvesting
José Colondres	Regional Compliance Director
Diego Espinoza	Senior Manager, organization change and transformation
Franco Sturione	Superintendent HSS – Health and Safety Team
Manuel Zamora	Community Relations and Corporate Responsibility Vice-Manager
Carla Araya	Regional Legal Counsel
Carolina Campos	Head of Environmental Innovation
Carlos Calderon	Finance Manager
Medardo Valladares	Risk Prevention Assessor – Health and Safety Team



### 2.3.3. Workers/Contractors

ERM CVS conducted a total of 27 scheduled worker engagements, including 15 individual employee and contractor interviews and four group interviews. Scheduled worker interviews were supplemented by additional impromptu interviews with individuals or groups in various mine work sites during the EHS portion of the audit process. ERM CVS scheduled group interviews ranging in size from two to five people. Once interviewees were selected, Albemarle assisted with logistics to ensure that workers were available for interviews at the requested times and could be at locations onsite that would enable transportation to the interviews. Interviews included employees and contractors from several different departments at the Salar operations, chosen to represent different age groups; genders; years of experience; work groups; and operational, administrative, health care or union responsibilities. Topics discussed included working conditions, with specific attention on women and vulnerable groups, freedom of association, health and safety, etc. The engagements took place onsite at various locations in designated conference rooms and offices. The worker interviews were conducted without Albemarle management personnel present. Supervisory staff were interviewed individually, but they did not participate in any group meetings so as not to bias or influence employee responses.

Date	Meeting Type	Number of Attendees	Female / Male	Group Type and notes
26 April 2022	Group meeting	3	3 females	Contractors
26 April 2022	Group meeting	3	3 males	Mix of workers
27 April 2022	Group meeting	4	2 females 2 males	Mix of workers
26 April 2022	Group meeting	2	1 male 1 female	Young worker Adult worker
26 – 28 April 2022	Individual	15	9 males 6 females	Mix of young workers, female workers, contractors

### 2.3.4. Government Agencies

The municipality of San Pedro de Atacama was included for interviews to discuss emergency management plans.

### 2.3.5. Participating Communities and NGOs

To identify stakeholders relevant to the audit process and those who may be either directly or indirectly affected by Albemarle's operations, ERM CVS's social specialists used a stakeholder mapping process. Stakeholders were selected based on outcomes of the Stage 1 Assessment, a review of Albemarle's Stakeholder Database, and a desktop review of local media sources with a social conflict focus. In addition, prior to the audit, between 22 and 25 March 2022, ERM CVS carried out a 2-day social reconnaissance trip to gain a better understanding of the mine area of influence and the communities living within this area. Based on the outcomes of the above processes, ERM CVS identified stakeholders to interview during the Stage 2 Assessment.

Ahead of the Stage 2 Assessment, ERM CVS sent out invitations to request and schedule meetings with community representatives identified in the above process.

During the Stage 2 Assessment, ERM CVS conducted meetings with representatives from several communities located proximal to the mine or considered to be within the mine's area of influence. These were Peine – 25 km east, Toconao – 63 km northeast, Talabre – 60 km northeast, and Camar – 45 km northeast (refer to Figure 1). ERM CVS communicated and organized these meetings, which were conducted without Albemarle personnel present.

The audit team interviewed persons associated with the Consejo de Pueblos Atacameños who were understood to be representing the 18 communities who are members of this group. Additional community interviews were held with the communities that the ERM CVS stakeholder identification process identified as being the closest communities with the greatest likelihood of direct impact.

Community, NGO Name	Location	Total Number of Attendees
Consejo de Pueblos Atacameños	Sede CPA	2 (1 female, 1 male)
Toconao Community Directives	Sede Toconao	7 (6 female, 1 male)
Peine Community Directive	Phone	1 (1 female)
Talabre Community Directives	Casa de la Cultura	3 (1 female, 2 male)
Camar Community Directives	Sede Camar	2 (2 male)

During the follow up assessment in October 2022, further community interviews were conducted, as shown in the table below.

Community, NGO Name	Location	Total Number of Attendees
Consejo de Pueblos Atacameños	CPA Office	1 (1 male)
Toconao Community	Store	1 (1 male)
Peine Community	Directors Office / Peine Community	2 (2 male)
Municipality of San Pedro de Atacama	San Pedro de Atacama	1 (1 male)

## 2.4. Summary of Mine-Impacted Areas Visited

The following areas were visited and observed during the onsite visit:

Operational areas	<ul style="list-style-type: none"><li>• Natural brine pumping stations / extraction wells</li><li>• Carnallite plant</li><li>• Fresh water supply</li><li>• New construction campsite</li><li>• Evaporation ponds / concentrators</li><li>• Boundaries with SQM</li></ul>
Other areas visited (e.g., downstream watercourses, offsite facilities)	<ul style="list-style-type: none"><li>• Offsite groundwater monitoring wells</li><li>• Salt piles</li><li>• New project activities</li></ul>
Surrounding Communities	<ul style="list-style-type: none"><li>• Chépica and Peine worker camps</li><li>• San Pedro de Atacama</li><li>• Peine</li><li>• Talabre</li><li>• Camar</li><li>• Toconao</li></ul>

## 3. Summary of Findings

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

### 3.1. Audit Outcome

The site is recognized as having achieved the level of IRMA 50 based on the performance recorded from the Stage 1 and Stage 2 audits.

### 3.2 Scores by IRMA Standard Principle and Chapter

The table below provides the chapter-specific outcomes, and overall average scores per principle. Note, these scores are weighted based on the number of relevant requirements in each chapter.

	Chapter Relevant*	Actual Score	Possible Score	Percent Score
<b>Principle 1: Business Integrity</b>		<b>78</b>	<b>108</b>	<b>72.2%</b>
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Chapter 3.5—Security Arrangements	Yes	21.5	30	72%
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Chapter 3.7—Cultural Heritage	Yes	17.5	26	67%

Principle 4: Environmental Responsibility		115.5	136	84.9%
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Chapter 4.3—Air Quality	Yes	11	14	79%
Chapter 4.4—Noise and Vibration	Yes	4.5	6	75%
Chapter 4.5—Greenhouse Gas Emissions	Yes	13	14	93%
Chapter 4.6—Biodiversity, Eco. Serv. and Protected Areas	Yes	16.5	26	63%
Chapter 4.7—Cyanide Management	No	-	-	-
Chapter 4.8—Mercury Management	No	-	-	-

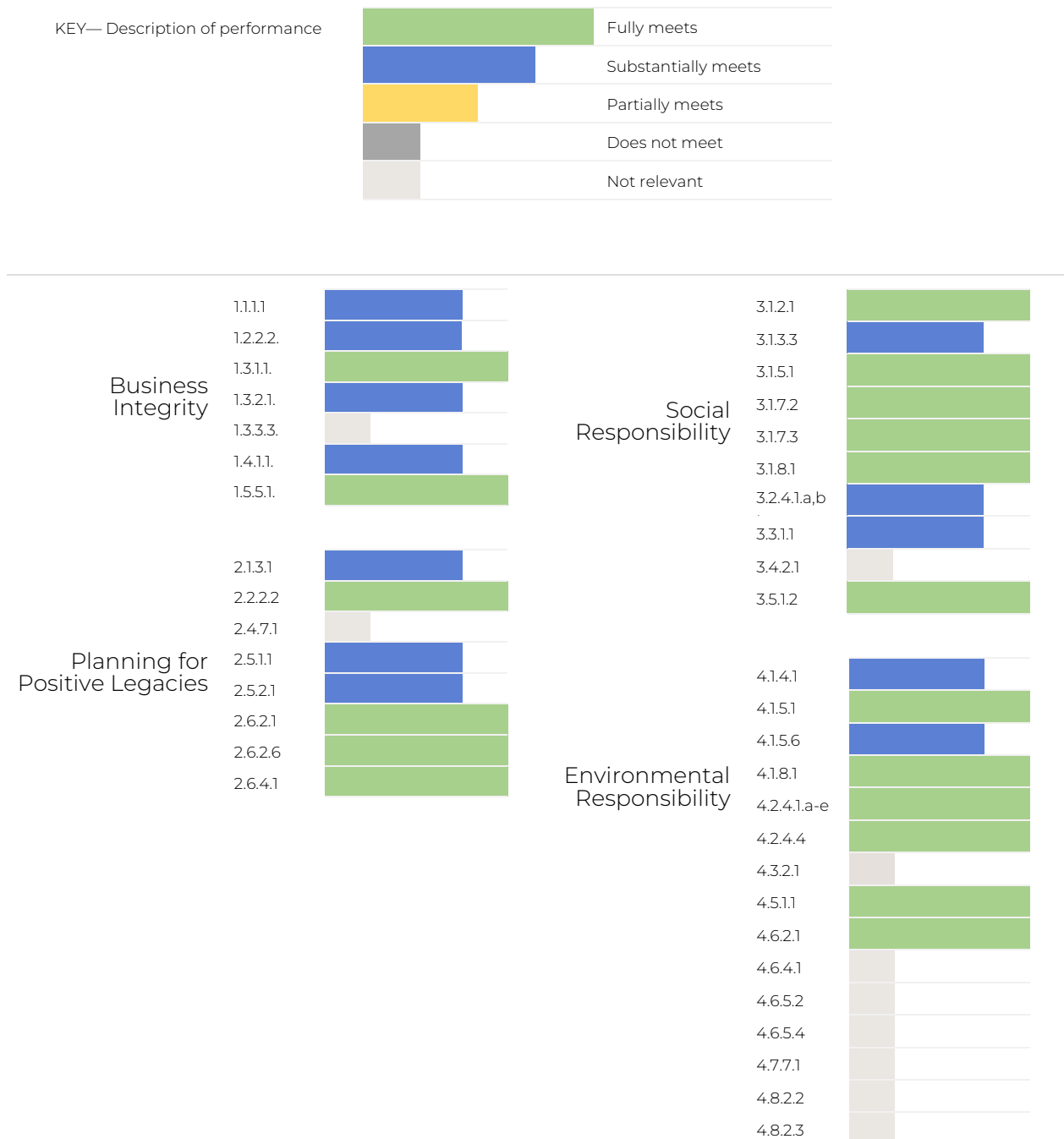
\* Chapters are marked as not relevant if auditors have verified that the issues addressed in the chapter are not applicable at the mine site. For example, if the mine can demonstrate that there is no artisanal and small-scale mining (ASM) occurring near the mine, and the mine does not source materials from ASM operations, then Chapter 3.6 would be marked as not relevant.

Chapters deemed not relevant do not factor into the principle scores.

### 3.3. Performance on Critical Requirements

Critical requirements consist of a set of 40 requirements that the IRMA Board of Directors has identified as being core requirements that any mine site claiming to be following good practices in mining should be meeting. Mines seeking to achieve full certification (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 timeframes.

#### 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

Extracts of the criteria and requirements are presented below.

#### 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;	
1.3.2.1.	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.	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 in regard to 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.	✓
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.	—
4.6.5.2.	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.	—



4.8.2.2.	Mercury wastes are not permanently stored on site without adequate safeguards,	—
4.8.2.3.	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, mines are allowed a 12-month corrective action period if they are interested in addressing non-conformities with critical or other requirements to reach a higher achievement level or gain recognition for improved performance. This enables them to implement changes and have them verified by auditors without waiting until the surveillance or recertification audit.

During the 12-month period Albemarle Planta Salar de Atacama Operation implemented a series of corrective actions to address non-conformities.

To improve the IRMA level of achievement, following the Stage 2 Assessment Albemarle prepared a corrective action plan (included in Appendix B) to address major non-conformities with critical and other requirements. In October 2022, ERM CVS conducted a follow-up assessment to verify the implementation of corrective actions of a major nonconformity against the critical requirements.

Albemarle is in the process of expanding the corrective action plan to address minor non-conformities to improve performance during the audit cycle.

### 4.2 Disclosure of Summary Audit Report

To maintain good standing in the IRMA system, IRMA requires that all mines that undergo independent, third-party auditing disclose a summary audit report within 12 months of the certification body's receipt of the mine's comments on the draft audit report.

Albemarle Planta Salar de Atacama Operation's public audit report will be posted on the IRMA website.

Albemarle will work with IRMA to coordinate press releases with the results of the Stage 2 audit.

### 4.3 Timing of Future Audits

The mine's surveillance audit will take place no more than 18 months after the publication of this IRMA Initial Assessment Report. Although not limited to these topics, future audits, such as the surveillance audit, should re-examine noise monitoring to assess impacts from the new operations under construction at the time of the audit. In addition, ERM CVS will assess ongoing improvements to the worker health and safety programs.





# APPENDIX A – Results by Requirement

## Principle 1: Business Integrity

### RATING LEGEND

Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

Chapter 1.1—Legal Compliance		Basis for Rating
1.1.1.1.	<b>Critical</b> The operating company shall comply with all applicable host country laws in relation to the mining project.	 <p>IRMA has recently revised its interpretation of this requirement, including guidance to auditors to confirm that there is a system in place to:</p> <ul style="list-style-type: none"> <li>a) Identify all host country laws that are applicable</li> <li>b) Monitor the status of compliance with those obligations</li> </ul> <p>Essential permits to access lithium resources and land are in place. In addition, organizational permits related to environmental licenses and water resources were provided. A meeting with the site legal manager included a discussion of the company's legal situation, including two open tax-related lawsuits, and evidence of how Albemarle is dealing with the matter.</p>
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.	 <p>Not relevant - no IRMA requirements conflict with host country laws.</p>
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.	 <p>All issues or observations raised by the authorities were closed on time, and corrective actions were taken. Albemarle appealed open sanction dossiers around water consumption and early warning plan activation, as they consider it a matter of interpretational difference between the authority and the company.</p>
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.	 <p>Supporting evidence indicates that key contractors are aware of the organization's intended adherence to IRMA principles. However, contractors first need to understand the system implemented by the organization to document and track IRMA compliance by their</p>

## Chapter 1.1—Legal Compliance

## Basis for Rating

		contractors. The organization is still in the process of implementing an IRMA principles compliance tracking system for their contractors. It must be fully implemented to conform to this IRMA criteria.
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.	Documentation indicates full compliance with host country laws, but no indication to record-keeping demonstrating conformance and/or non-conformance with the IRMA Standard.
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.	The organization openly provided the audit team with records of pending issues with local authorities, including the Environmental Agency of Chile (SMA) and one judicial process opened by the Chilean state prosecutor against a group of companies, including the organization.
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.	In March 2022, the organization informed Comunidad de Pueblos Atacameños (Annual Round Table or MTPE) about two open non-compliances with the Chilean authorities.
1.1.5.4.	Where the operating company claims that records or documentation contains confidential business information, it shall: 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.	Roundtable agreements are considered confidential business information. However, Albemarle provided information to the audit team about the MTP agreements held between March and July 2021. The information Albemarle shared with the communities includes a broad range of topics, from potential future developments of the project, historical sales information and non-compliance status, which was regarded as sensitive for the operation.

## 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 collectively as "stakeholders") who may be affected by or interested in the company's mining-related activities.	The organization has identified key communities and leaders within them, as well as local government authorities and NGOs. In April 2022, the organization conducted an updated analysis of stakeholder interests and priorities. Vulnerable groups are not explicitly considered in provided stakeholder maps.
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.	Although the evidence provided (agreements on certain issues, meeting minutes, etc.) demonstrate that the organization engages with stakeholders, and some of the agreements with various communities establish a basis for stakeholder engagement, the organization does not yet have a comprehensive stakeholder plan in place.
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 (especially women, marginalized and vulnerable groups).	The site engages with stakeholders primarily through the Mesa de Trabajo Permanente (MTP) and the Consejo de Pueblos Atacameños (CPA) as agreed with the communities themselves. The agreements / convenios between the CPA and the site were the result of a participatory process that ensured cultural appropriateness of engagement methods. However, the site does not have a formal stakeholder engagement plan






## Chapter 1.2—Community and Stakeholder Engagement

## Basis for Rating

		beyond the provisions of the convenios, nor do they demonstrate anywhere how they have ensured that vulnerable populations are able to participate in establishing or influencing the SPA or MTP. Some community members indicated that alternate forms of engagement are required in addition to the MTP and CPA, as several community leaders indicated these bodies did not represent their interests (despite having been elected). The organization does not explicitly make efforts to engage communities beyond the 18 with which they have signed convenios; however, these communities are considered by the site as not directly impacted by the project.
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 organization has not conducted a formal assessment of community dynamics specifically as it relates to risks of conflict relating to or emerging from engagement. The organization indicates that an analysis of the potential conflicts associated with the establishment of convenios with two recently established communities with whom no convenios exist is underway as part of the social impact assessment, but no evidence is yet available.
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)	⊙ The organization provided evidence that convenios were signed with major communities (and representative council, the CPA). Evidence provided of regular meetings included virtual meetings during COVID for the Mesa de Trabajo Permanente (MTP).
1.2.2.2.	<b>Critical</b> The operating company shall foster two-way dialogue and meaningful engagement with stakeholders by: <ul style="list-style-type: none"> <li>a. Providing relevant information to stakeholders in a timely manner;</li> <li>b. Including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders;</li> <li>c. Engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation;</li> <li>d. Soliciting feedback from stakeholders on issues relevant to them; and</li> <li>e. Providing stakeholders with feedback on how the company has taken their input into account.</li> </ul>	🕒 The organization provides evidence that in recent years convenios were signed with 18 local communities; these lay out the basis for stakeholder engagement that meets sub-criteria a-e. The organization also provides meeting records and minutes from recent years. However, communities indicate that there is room for improvement in terms of direct engagement (rather than through the local MTP or Consejo, which many see as non-representative) and that information is filtered through the MTP and Consejo and does not reach them directly. Communities also indicate that they can give and receive feedback to and from the organization, but again through the MTP, which several communities indicated was not representative or sufficient.
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 organization provided convenios with various communities that lay out agreed-upon approaches to engagement (through the MTPs). The form this engagement would take was a topic of consultation for several years prior to signing with community representatives.
1.2.2.4.	Engagement processes shall be accessible and culturally appropriate, and the operating	🕒 Documents reviewed indicated convenios with various groups that lay out agreed-upon

## Chapter 1.2—Community and Stakeholder Engagement

## Basis for Rating

	company shall demonstrate that efforts have been made to include participation by women, men, and marginalized and vulnerable groups or their representatives.		approaches to engagement (through the MTPs). Processes are culturally appropriate and agreed upon with indigenous communities as laid out in convenios. The organization contracted with a consultant to evaluate human rights aspects of the convenios. Results found that the CPA is a representative organization that pursues the best interests of the "community of communities" of indigenous peoples in the project area according to traditional structures and the provisions of national Indigenous legislation. The evaluation further found that - at least in terms of distribution of benefits flowing from Albemarle to the communities via the CPA - that access of vulnerable peoples to these benefits is inherent in the convenios. The organization provides no evidence of additional efforts made to ensure that vulnerable groups can effectively participate in engagement through the CPA, choosing instead to defer to traditionally representative structures as laid out in the convenios.
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 undertake additional engagement processes to enable more meaningful participation by and information sharing with the broader community.		Albemarle defers to the internal organization of representative organizations (both indigenous and non-indigenous) as they have verified that community representatives are elected fairly (with oversight from the state). However, some communities and individuals indicated that they are not well-represented by the MTP or Consejo, and therefore are unable to adequately participate in engagement.
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.		The organization keeps records of meetings, including participant names, feedback received, and responses. Evidence provided included attendance lists and meeting minutes.
1.2.2.7.	The operating company shall report back to affected communities and stakeholders on issues raised during engagement processes.		All feedback to communities is channeled back through the MTP. Documents provided demonstrate continued conversations on topics raised. The site trusts representatives and participants to take this information back to the broader communities.
1.2.3.1.	The operating company shall offer to collaborate with stakeholders from affected communities to assess their 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.		The organization has conducted capacity-building actions to ensure that communities can participate in participatory environmental monitoring and other programs (i.e., community investment). The organization also provides representatives with funds to facilitate their participation in the terms of the Convenios. However, the organization has not directly completed an assessment of the ability of vulnerable populations to participate in engagement, nor offered any assistance to this end.
1.2.4.1.	Any information that relates to the mine's performance against the IRMA Standard shall be		Albemarle has not shared nor received any requests for information relating to their

## Chapter 1.2—Community and Stakeholder Engagement

## Basis for Rating

	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.		performance vis-à-vis the mine's performance against the IRMA Standard, as they do not yet have formal information pertaining to their results. The organization indicates that they will share IRMA results when available and share any additional documents requested by stakeholders, provided the requested information is not confidential. There are systems in place through which the mine can share information, such as the CPAs.
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.	—	No requests for information have been deemed unreasonable.
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	✓	All information requested by the Consejo or community representatives is channeled through the MTP, which was a creation of the communities themselves and therefore considered culturally appropriate. Documents provided demonstrated provision of requested information in subsequent meetings, or explanations where information was delayed. The site trusts representatives and participants to take this information back to the broader communities. While some community members indicated not all information flowed down to the communities, the concern was more with the MTP or Consejo rather than the site.
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.	✓	Evidence provided shows that the organization does provide information when requested, and delays in information provision are communicated and recorded in the minutes of MTP meetings. Communities did not indicate that Albemarle was ever unwilling to provide requested information. One such request was made historically, and the site negotiated with the community to provide an alternative form of information that was acceptable to the community.




## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

1.3.1.1.	<b>Critical</b> The operating company shall adopt a policy commitment that includes an acknowledgement of its responsibility to respect all internationally recognized human rights	✓	The organization has a human rights policy that refers to its commitment to respecting the human rights of all parties. The organization provided its Human Rights Governance Framework: Standards & Commitments. It includes a Code of Conduct, Human Rights Policy, Labor Rights Policy, and Community Relations & Indigenous Peoples Policy.
1.3.1.2.	The policy shall: <ul style="list-style-type: none"> <li>a. Be approved at the most senior level of the company;</li> <li>b. Be informed by relevant internal and/or external expertise;</li> <li>c. Stipulate the operating company's human rights expectations of personnel, business</li> </ul>	●	The policy has been approved by Albemarle senior management. The Board of Directors, the Audit and Finance Committee and the Health, Safety and Environment Committee receive regular updates on sustainability issues, including human rights. The organization is making progress in formulating and

## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

	<p>partners and other parties directly linked to its mining project;</p> <p>d. Be publicly available and communicated internally and externally to all personnel, business partners, other relevant parties and stakeholders;</p> <p>e. Be reflected in the mining project's operational policies and procedures.</p>		<p>implementing operating procedures to concretize the human rights policy and assessment results.</p> <p>The organization has sought the advice of human rights experts. The organization is informed by internal knowledge (employees) and is in the process of discussing and obtaining relevant external knowledge (communities). Consultant reports inform as part of the organization's mission: to respect the human rights of stakeholders; to promote value protection that helps mitigate legal, regulatory, financial, reputational, and other risks; and to promote value creation. The policy is available online; however, there is no evidence that it has been actively shared with communities that have limited internet access.</p>
1.3.2.1.	<p><b>Critical</b> 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.</p>		<p>The organization is progressing in the first identification and assessment of human rights risks. The main human rights risks identified were adverse environmental impacts and potential discrimination of indigenous workers, among others.</p> <p>For previous changes in operations, such as Campamento Chepica and "Modifications and Improvement of the Solar Evaporation Pool System in the Salar de Atacama," an assessment with potentially affected rights holders was not carried out.</p>
1.3.2.2.	<p>Assessments, which may be scaled to the size of the company and severity of human rights risks and impacts, shall:</p> <p>a. Follow a credible process/methodology;</p> <p>b. Be carried out by competent professionals; and</p> <p>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.</p>		<p>The organization conducted the first human rights risk and impact assessment that meets some, but not all the sub-requirements.</p> <p>The methodology was designed and is in the process of being implemented by expert human rights professionals. There is no evidence of a consultation process with rights holders on risks and impacts. Although the organization presented some meeting minutes, these do not include all the communities, especially when they have different positions regarding the organization, its operation and the Salar.</p> <p>There is no evidence of a differential approach to interaction with men, women, children (or their representatives), other vulnerable groups, and other relevant stakeholders.</p> <p>Some of the communities reported that there are highly relevant issues that have not been addressed by the organization in dialogue with the communities. They indicated that they learn about decisions of the organization through other means and not directly. Some of the meeting minutes indicate this situation.</p>
1.3.2.3.	<p>As part of its assessment, the operating company shall document, at minimum:</p> <p>a. The assessment methodology;</p>		<p>The organization is conducting the first human rights risk assessment, which considers:</p> <p>a. Assessment methodology with the limitations indicated in the previous numeral.</p>





## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

<ul style="list-style-type: none"> <li>b. The current human rights context in the country and mining project area;</li> <li>c. Relevant human rights laws and norms;</li> <li>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;</li> <li>e. The identification of rights holders, an analysis of the potential differential risks to and 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;</li> <li>f. Recommendations for preventing, mitigating and remediating identified risks and impacts, giving priority to the most salient human rights issues.</li> </ul>		<ul style="list-style-type: none"> <li>b. The current human rights context in the country and in the area of the mining project.</li> <li>c. Relevant human rights laws and standards.</li> <li>d. A list of human rights risks related to the mining project activities and an assessment of the potential severity of impacts for each identified human rights risk. It is not possible to determine whether the list is complete, given that stakeholder feedback is not available.</li> <li>e. Regarding the identification of rights holders, the organization has identified them. Among them are the 18 communities and their organizations, in addition to other stakeholders (workers, for example). There is no evidence of identification and analysis of potential risks and differential impacts on groups of rights holders (women, men, children, elderly, people with disabilities, indigenous peoples, vulnerable). There is no breakdown of results by rights holder groups.</li> <li>f. The report “Miller &amp; Chevalier- Albemarle Human Rights Risk Assessment – Chile Process, Factual Findings, and Action Plans” identifies some brief mitigation and management mechanisms to address impacts where prevention is not possible.</li> </ul>
<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>The organization shared the human rights risk assessment report from Miller &amp; Chevalier (Document: “Miller &amp; Chevalier- Albemarle Human Rights Risk Assessment – Chile Process, Factual Findings, and Action Plans”) with representatives of the Peine community in May 2022 and with Council of Atacameños Peoples (CPA) in July 2022, the primary outside stakeholders for the Salar operations. However, not all stakeholders and rights holders who participated in the assessment process were consulted to provide feedback on those findings, as workers were not given the opportunity to review the results.</p> <p>Stakeholders had the opportunity to provide feedback orally as stated in the May 12 and July 18 monthly working table (MTP) minutes. Miller &amp; Chevalier incorporated the feedback into the July 2022 draft risk assessment report.</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>The organization recently conducted its first human rights risk assessment. The human rights issues in the report include environmental impacts, potential discrimination, security incidents, forced labor, and cultural heritage. Each topic is supported by a very high-level list of mitigation and management actions.</p> <p>The organization has taken some concrete actions on these mitigation / management actions, such as offering internal trainings on human rights. This has been demonstrated in PowerPoint presentations and a course on the Albemarle University platform; however, there are no attendance lists or any other type of</p>

## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

		<p>record that evidences the execution of the training sessions. Employees did not refer to these trainings. The organization also provided an updated security agreement and policy aimed at mitigating potential human rights issues in the realm of security, as well as correspondence between the company and the Chilean superintendence of the environment (SMA) pertaining to joint efforts to monitor human rights-related issues in the area of water.</p>
1.3.3.1.	<p>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.</p>	<p> The organization has grievance mechanisms and internal grievance procedures that are known to employees. The organization has investigation procedures in place. Employees recognize that they can use the mechanisms to raise any type of problem.</p> <p>The organization has grievance mechanisms for communities, which are mainly mediated by the CPA. Some communities indicate that the organization should also have direct communication with the communities. The organization is defining the strategy to keep a record of all grievances filed, investigated and resolved related to human rights. Communities indicated that the organization should consider non-digital mechanisms for filing complaints, given access and connectivity limitations. The organization presented its compliance strategy in a brief intervention to the MTP.</p>
1.3.3.2.	<p>Responding to human rights risks related to the mining project:</p> <ol style="list-style-type: none"> <li>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).</li> <li>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.</li> <li>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.</li> </ol>	<p> The organization is making progress in managing human rights risks; it is designing strategies to mitigate them. However, it has not yet made progress in consulting with potentially affected rights holders on mitigation plans.</p> <p>The report “Miller &amp; Chevalier- Albemarle Human Rights Risk Assessment – Chile Process, Factual Findings, and Action Plans” identifies human rights impacts (real, perceived, and potential) and outlines some brief mitigation and management mechanisms to address impacts where prevention is not possible (sub-criteria (a)). Minutes provided by the organization show that the organization shared the contents of this assessment with the community of Peine and the CPA, including giving a high-level overview of some of the mitigation and management mechanisms proposed. The community and CPA had the opportunity to ask questions or give feedback on these points (sub-criteria (a)).</p> <p>The organization has taken initial steps to involve their business relationships in addressing the potential human rights impact of environmental impact (primarily water) through participation in the environmental monitoring programme (demonstrated in the 'Carta SMA_Propuesta de Monitoreo'). The organization has also updated its agreement with their contracted security provider to state that they cannot use force, thus addressing another potentially identified human</p>


## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating

		rights impact. The organization has not demonstrated any other efforts to leverage their influence with supply chain or business relationships to assess and address other human rights risks identified in the report.
1.3.3.3. <b>Critical</b> Responding to actual human rights impacts related to the mining project:	—	At the time of this audit, no actual human rights impacts had been identified by the company. The organization is conducting a human rights risk assessment with experts' participation.
<ul style="list-style-type: none"> <li>a. If the operating company determines that it has caused an actual human rights impact, the company shall: <ul style="list-style-type: none"> <li>i. Cease or change the activity responsible for the impact; and</li> <li>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;</li> </ul> </li> <li>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;</li> <li>c. If the operating company determines that it is linked to an actual human rights impact through a business relationship the company shall use its leverage to prevent or mitigate the impact from continuing or recurring; and</li> <li>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.</li> </ul>		
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.	⚠	The organization has recently undertaken a human rights risk assessment and outlined some mitigation measures to address the identified risks. The organization also identified some monitoring indicators in a memorandum addressed to the audit team dated Oct. 04, 2022 (reference: Chapter 1.3.4.1). However, except for monitoring indicators associated with environmental monitoring, there is no evidence of any of these indicators having been actively implemented, monitored and evaluated. Moreover, there is no evidence that the indicators included in the memo to the audit team have been included in any formal documentation or plans outside of the memo itself. The organization has also not been able to demonstrate concrete plans to seek feedback on monitoring indicators from potentially affected rights holders, except for participatory environmental monitoring.
1.3.4.2. External monitoring of an operating company's human rights due diligence shall occur if the	—	Not applicable for this moment of progress in the assessment and prevention and remediation


## Chapter 1.3—Human Rights Due Diligence

## Basis for Rating


	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: <ul style="list-style-type: none"> <li>a. The company shall fund the external monitoring; and</li> <li>b. The form of such monitoring, and selection of external monitors, shall be determined in collaboration with affected rights holders.</li> </ul>		of risks/impacts on human rights, given that the prevention, mitigation or remediation plan has not been implemented.
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.		<p>The organization is making progress in managing human rights risks; it is designing strategies to mitigate them.</p> <p>Minutes provided by the organization show that the organization shared the contents of this assessment with the community of Peine and the CPA, including giving a high-level overview of some of the mitigation and management mechanisms proposed. The community and CPA had the opportunity to ask questions or give feedback on these points (sub-criteria (a)).</p> <p>The organization has taken initial steps to involve their business relationships in addressing the potential human rights impact of environmental impact (primarily water) through participation in the environmental monitoring program (demonstrated in the 'Carta SMA_Propuesta de Monitoreo').</p>
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 due diligence activities as a result of external monitoring recommendations.	—	Not evaluated since no external monitoring has been required.
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 applicable because no public reporting has yet occurred, so no information has been included from public reports.

## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

## Basis for Rating

1.4.1.1.	<b>Critical</b> 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		The organization has an 'integrity helpline' (available 24/7) and other internal grievance processes that are available to workers. Evidence was observed onsite of the socialization of this mechanism, and workers confirmed knowledge of it. There is not yet a functioning grievance mechanism for communities outside of the Mesas de Trabajo Permanente (MTP), which many community members view as effective
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## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy






<p>relation to the company and its mining-related activities.</p>	<p>only in bringing community-level grievances (not individual grievances) to the organization. The organization provided evidence that the creation of a grievance mechanism for communities is in progress, and that they have shared preliminary details of this mechanism with 14 / 18 communities with whom they have convenios.</p> <p>An important consideration of the organization's conformance to these criteria is to what extent the site is required or obligated to defer to traditional structures of representation as reflected by the agreements signed with the 18 indigenous communities in the project area. Guidance notes for similar criteria in IRMA (i.e., guidance note for 2.2.3.2) state that sites can encourage, but not impose, more egalitarian or otherwise distinct participatory structures on indigenous groups with whom they have relations. Community grievances expressed through the MTP (and responses to in that way) would constitute an appropriate form of receiving and responding to grievances. Thus, the organization can encourage (as they are by creating an alternative mechanism) but not impose additional channels of engagement upon the communities. Moreover, if all workers have access, and most community members have at least recourse through the CPA or MTP, and the site has begun socializing the more 'individualized' mechanism, it is evident - although imperfect - that most stakeholders have access to some sort of grievance process.</p> <p>The Reporte 2022 Reclamos y Quejas Comunidad provides evidence that the mine is receiving grievances and that people are making use of the systems in place to raise concerns.</p>
<p>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:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. How complaints and grievances will be filed, acknowledged, investigated, and resolved, including general timeframes for each phase;</li> <li>c. How confidentiality of a complainant's identity will be respected, if requested;</li> <li>d. The ability to file anonymous complaints, if deemed necessary by stakeholders;</li> <li>e. The provision of assistance for those who may face barriers to using the operational-level grievance mechanism, including women, children, and marginalized or vulnerable groups;</li> </ul>	<p> There is not yet a functioning grievance mechanism for communities outside of the Mesas de Trabajo Permanente (MTP). The organization provided evidence that the creation of such a mechanism is in progress, and that they have shared preliminary details of this mechanism with many communities with whom they have convenios (although review of minutes revealed inconsistency in amount and quality of information shared). At these meetings, the organization presented the grievance mechanism and gave opportunity for feedback on its structure. It is not yet possible to evaluate whether the community grievance mechanism will meet sub criteria (a) through (g). Evidence was not provided that workers were consulted on the grievance mechanism procedure. Information shared with workers on the grievance mechanism in place does not address sub-criteria (e), or (g).</p> <p>The organization has a plan in place for the community stakeholders, but there has not been</p>

## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

<p>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</p> <p>g. How complaints and grievances and their resolutions will be tracked and recorded.</p>		<p>implementation. There are two instances planned where the communities will be able to provide feedback (design in October and implementation in November). The proposal addresses all points A-H (legitimate, accessible, predictable, equitable, transparent, rights-compatible, source of continuous learning). The organization provides workers with an internal platform Converge Point where policies are available to them. There is no indication of the organization consulting with workers on the design of culturally appropriate complaints.</p>
<p>1.4.2.2. The operating company shall ensure that all complaints and grievance procedures are documented and made publicly available.</p>		<p>The organization provided evidence that they have socialized the worker grievance mechanism internally (through induction materials and other presentations), and posters with relevant information were posted around the site. Information on how to submit a grievance is available on the company website, originally in English but with a translation option for other languages. The information publicly available is limited, however, to indicating how to submit a grievance, and statements concerning confidentiality and non-retaliation.</p> <p>The community grievance mechanism does not yet have a procedure; the organization has shared basic details within the communities but there is no procedure to make it public as of the time of the audit. Therefore, at the present time, this requirement cannot be evaluated for a community-level grievance mechanism, because a general mechanism does not yet exist. When such a mechanism becomes functional, this requirement will be assessed for the community-level grievance mechanism. However, as per the convenios signed with the CPA and indigenous communities, grievances can currently be channeled through traditional representative structures and brought to the organization's attention through the MTP. This process is known to stakeholders within the indigenous communities.</p>
<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>Evidence provided indicates that using a worker grievance mechanism does not impede the option for aggrieved parties to seek legal recourse, and no rights-waive is required. Workers' interviews revealed this understanding as well.</p> <p>This requirement could not be fully evaluated for community level grievance because a general mechanism does not yet exist. When such a mechanism becomes functional, this requirement will be assessed for the community-level grievance mechanism. While the intent is to integrate it into the same system as the worker grievance mechanism (meaning legal recourse possible for community members as well), there is no evidence that this is currently the case. Information shared with communities</p>

## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

### Basis for Rating

		concerning the grievance process that does exist (i.e., through the convenios or CPA) does not explicitly state legal recourse available, nor does it preclude it.
1.4.4.1.	Complaints and grievances and their outcomes and remedies shall be documented.	 The organization provided evidence of records (beginning in 2021) of community grievances, extracted from meeting minutes (as no formal community mechanism is in place). The organization provided screenshots of the Convercent system in which all internal grievances are managed.
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: <ul style="list-style-type: none"> <li>a. If changes need to be made to improve its effectiveness as per 1.4.2.1.a;</li> <li>b. If changes in company activities can be implemented to prevent or mitigate similar grievances in the future; and</li> <li>c. If outcomes and remedies provided through the mechanism accord with internationally recognized human rights.</li> </ul>	 The organization provides metrics of code-of-conduct infringements, but only for internal investigations, and not related to communities. No evidence was provided of explicit monitoring and evaluation of grievance trends for the purposes of improvement. No evidence was provided of analysis of metrics leading to operational changes. <p>The organization monitors and evaluates the helpline, and there is evidence suggesting changes were made to specific sections as a result of the issues and types coming from the helpline.</p> <p>There was some evidence of grievances data in the investigation presentation on numbers and types of grievances, but it is unclear how that was being applied to improve operations.</p> <p>No evidence was provided of explicit monitoring and evaluation of grievance trends for the purposes of improvement. No evidence was provided of analysis of metrics leading to operational changes.</p>
1.4.4.3.	Stakeholders shall be provided with clearly communicated opportunities to submit feedback on the performance of the complaints and grievance mechanism.	 No evidence was provided to show that workers have been given 'clearly communicated' opportunities to provide feedback on the performance of the grievance mechanism. The organization gives communities opportunities to comment on basic information shared by the organization pertaining to the in-progress grievance mechanism design, but not its performance (as it has not yet been implemented). The organization states that, to date, no additional explicit efforts have been made to solicit feedback from workers or communities on the functioning of the mechanism. These plans are underway.
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 organization has made reasonable steps to inform some but not all stakeholders of the grievance mechanism. Engagement with communities is an ongoing effort.
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	 The organization has not stated that participation in the worker compliance or integrity process precludes resource to legal remedy. Information shared with communities to-date on the community-level grievance



## Chapter 1.4—Complaints and Grievance Mechanism and Access to Remedy

### Basis for Rating

	administrative, judicial or other non-judicial remedies.		<p>mechanism is basic, but also does not state anywhere that use of the grievance mechanism precludes legal redress.</p> <p>While there is no formal (individualistic) grievance mechanism in place at the community level, the convenios signed between the organization and the affected communities explicitly state that any disagreement or issue relating to the implementation of the terms of the convenio can be solved first through the MTP and, if not successfully resolved, through the appeals court of Antofagasta.</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.	⊕	The organization did not provide any evidence of training of personnel (including contractors) on the appropriate handling of grievances. However, organizational personnel in charge of the grievance mechanism are aware of how to handle grievances appropriately.
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>The organization did not provide evidence of external reporting to stakeholders on grievances received. Grievance procedures make no provisions for such reporting. However, as part of the Grievances Mechanism Community proposal (Propuesta MQR Albemarle_VI), the organization has plans underway to progress with reporting to stakeholders on grievances received and responses provided.</p> <p>As part of the management action plans, the organization is in the process of planning additional training and issuing further management communications to operators regarding availability of reporting/grievance mechanisms and the company's process for responding to complaints.</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.	—	Not relevant due to the process used.
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 organization disclosed further information during the early corrective action period and relevant changes were made to the organization's policies regarding this matter.



## Chapter 1.5—Revenue and Payments Transparency

## Basis for Rating

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 organization disclosed further information during the early corrective action period and relevant changes were made to the organization's policies regarding this matter.
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 organization disclosed further information during the early corrective action period and relevant changes were made to the organization's policies regarding this matter.
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.	—	Not relevant.
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. national, regional, local entity; name of government department); d. Social expenditures, including the names and functions of beneficiaries; e. Taxes, tariffs or other relevant payments related to transportation of minerals; f. Payments to politicians' campaigns, political parties or related organizations; and g. Fines or other similar penalties that have been issued in relation to the project.	●	Albemarle reports to the public on production, revenues and other financial payment information such as agreements with local communities, and items listed in sub-requirements "d" through "g."
1.5.2.3.	The operating company shall publish annual accounts, following international accounting standards.	✓	As per the organization's response, the site follows USGAAP standards and IFRS for local issues; however, publications are not submitted locally.
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.	—	Not relevant - Chile has transparency requirements.

## Chapter 1.5—Revenue and Payments Transparency

## Basis for Rating

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: <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>	—	Not relevant - Chile has transparency requirements.
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. <ul style="list-style-type: none"> <li>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.</li> <li>b. Where these terms are governed by law, free, public access to the relevant statutory documentation is deemed sufficient to meet the IRMA requirement.</li> </ul>	✓	Agreement between mining organizations and the Chile government are publicly available, especially taking into consideration transparency laws; however, there is no link to how the public could access this information. The public should on their own look for the information citing applicable laws and rights.
1.5.4.2.	The beneficial ownership of the operating company shall be publicly accessible.	✓	Beneficial ownership information was not detailed in the evidence provided; however, sufficient information was provided to conclude that in response to requests for information, it can be accessible by authorities and the general public.
1.5.5.1.	<b>Critical</b> The operating company shall develop, document and implement policies and procedures that prohibit bribery and other forms of corruption by employees and contractors.	✓	The organization has well-established processes and procedures to communicate expected behaviors and practices in reference to inappropriate financial practices, including influencing business partners and government officials.
1.5.5.2.	Procedures shall include: <ul style="list-style-type: none"> <li>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</li> <li>b. Disciplinary actions to be taken if cases of bribery or corruption are discovered.</li> </ul>	✓	From documents observed and field interviews with site personnel and contractors, the organization has well-established processes and procedures to communicate expected behaviors and practices in reference to inappropriate financial practices, including influencing business partners and government officials.
1.5.5.3.	Relevant employees and contractors shall be trained in the application of the operating company's policy and procedures.	✓	The organization has processes and procedures including training and inclusion of requirements in contractors' agreements. Furthermore, if contractors are required the issuance of permits according to regulations, a monitoring process has been established and implemented to ensure requirements and expectations are met.

## Principle 2: Planning for Positive Legacies

### RATING LEGEND Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

### Note on Chapter 2.1:

In October 2020, the IRMA Board approved changes in the way Chapter 2.1 was to be audited for existing mines.<sup>1</sup> The table below now shows where expectations are different for new versus existing mines. Existing mines are only required to meet a core set of requirements related to the 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.

### Chapter 2.1—Environmental and Social Impact Assessment and Management

### Basis for Rating






2.1.1.1	An Environmental and Social Impact Assessment (ESIA), appropriate to the nature and scale of the proposed 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.		The ESIA was prepared according to the project's true nature and scale and meets local Chilean legislative requirements. However, the original ESIA was prepared in 2009 and after the organization started, prior to the development of Chilean environmental legislation.
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.		The nature and the scale of the project were well known at the time of the ESIA preparation and subsequent modifications since the project was operating before ESIA approval.
2.1.1.3.	The ESIA shall be carried out in accordance with publicly available, documented procedures.		The ESIA procedure follows relevant Chilean regulations and procedures for evaluation and approval, which are public in nature.
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		The ESIA process follows mandatory ESIA procedures in terms of public disclosure, but there is no evidence provided of further efforts to communicate organizational

<sup>1</sup> For more information, see the IRMA Guidance Note on Chapter 2.1:

<https://responsiblemining.net/wp-content/uploads/2021/07/Chapter-2.1-ESIA-Guidance-Final-2020.pdf>

## Chapter 2.1—Environmental and Social Impact Assessment and Management

## Basis for Rating

	reasonable and culturally appropriate efforts have been made to inform potentially affected and interested stakeholders in potentially affected communities about the proposed project.		changes and impacts to the surrounding communities at San Pedro de Atacama prior to ESIA submission.
2.1.2.2.	<p>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:</p> <ul style="list-style-type: none"> <li>a. A general description of the proposed project, including details on the proposed location, and nature and duration of the project and related activities;</li> <li>b. The preliminary identification of potential significant environmental and social impacts, and proposed actions to mitigate any negative impacts;</li> <li>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</li> <li>d. Contact details for the person or team responsible for management of the ESIA.</li> </ul>		The preliminary ESIA report was not published on the Albemarle website before the official release, but the ongoing ESIA process will be uploaded.
2.1.3.1.	<p><b>Critical (New Mines)</b> 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><b>Critical (Existing Mines)</b> The operating company shall demonstrate that it has undertaken a comprehensive evaluation of potential environmental and social impacts associated with the mining operation.</p>		Although Chilean legislation does not require projects to formally undertake a scoping process along with the ESIA process, the screening and scoping phases are conducted in practice, since the approval procedure requires an early identification of the expected environmental and social impacts to qualify the project. Also, the organization has recently implemented an internal screening and scoping procedure to early detect environmental and social risks; therefore, the effectiveness of the implementation should be assessed in the future.
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.		Despite a formal scoping procedure not being required by Chilean ESIA regulations, in practice, the stakeholder identification is part of the early requirements for all ESIA processes in Chile. The organization therefore carried out a stakeholder identification exercise.
2.1.3.3.	<p>Scoping shall include the consideration of:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. Direct, indirect and cumulative impacts; and</li> <li>c. Potential impacts of extreme events.</li> </ul>		Although the organization identifies environmental and social impacts at an early stage, impacts on workers were not fully addressed in the scoping phase.
2.1.3.4.	<p>Scoping shall result in the identification of:</p> <ul style="list-style-type: none"> <li>a. Potentially significant environmental and social impacts of the proposed project;</li> <li>b. Alternative project designs to avoid significant adverse impacts;</li> <li>c. Other actions to mitigate identified adverse impacts; and</li> </ul>		Although Chilean legislation does not require projects to formally undertake a scoping process along with the ESIA process, the screening and scoping phases are conducted in practice, since the approval procedure requires an early identification of the expected environmental and social impacts

## Chapter 2.1—Environmental and Social Impact Assessment and Management

## Basis for Rating

	d. Additional information and data needed to understand and assess the potential impacts.		and risks. However, alternative design considerations were not incorporated by the organization into the scoping process.
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.	✓	Shared information complies with the Chilean Environmental Authority's requirements for the ESIA. Baseline data is robust and effectively describes expected impacts of the project.
2.1.4.2.	Additional studies shall be carried out as necessary to fulfill the information needs of the ESIA.	✓	Shared information complies with the Chilean Environmental Authority's requirements for additional information needs of the ESIA.
2.1.5.1	The operating company shall: <ul style="list-style-type: none"> <li>a. Predict in greater detail the characteristics of the potentially significant environmental and social impacts identified during scoping;</li> <li>b. Determine the significance of the predicted impacts;</li> <li>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</li> <li>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.</li> </ul>	●	The project ESIA established the nature, timing, magnitude, duration, reversibility, and extent of potential impacts and the "significance" of the identified potential impacts. But there was no discussion around options for addressing residual impacts acceptable to affected or relevant stakeholders.
2.1.6.1.	The operating company shall prepare an ESIA report that includes, at minimum: <ul style="list-style-type: none"> <li>a. A description of the proposed mining project;</li> <li>b. Detailed description of the direct, indirect and cumulative impacts likely to result from the project, and identification of significant adverse impacts;</li> <li>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;</li> <li>d. A review of the public consultation process, the views and concerns expressed by stakeholders and how the concerns were taken into account; and</li> <li>e. Names and affiliations of ESIA authors and others involved in technical studies.</li> </ul>	●	The ESIA report contains project descriptions, cumulative impacts (hydrogeology only), public consultation, and names and affiliations of ESIA authors. However, no clear description of mitigation hierarchy and design alternatives was considered to avoid and mitigate significant adverse impacts.
2.1.7.1.	The operating company shall develop and maintain a system to manage environmental and social risks and impacts throughout the life of the mine.	✗	Evidence shared with the audit team identified that management plans have been included in the ESIA. Albemarle complies with the environmental and social management plans derived from the approved local ESIA. However, that does not imply that Albemarle has a fully functional system to manage environmental and social risks and impacts as required by IRMA standards, which would be expected to include performance indicators, a tracking system, responsibilities, and budgeting information. The evidence provided by the site does not align with this requirement of the standard.










## Chapter 2.1—Environmental and Social Impact Assessment and Management

## Basis for Rating

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"> <li>a. Outlines the specific mitigation actions that will be carried out to address significant environmental and social impacts identified during and subsequent to the ESIA process;</li> <li>b. Assigns personnel responsible for implementation of various elements of the plan; and</li> <li>c. Includes estimates for the resources needed to implement the plan.</li> </ul>	✓	Evidence provided indicated that environmental and social management plans were implemented during the ESIA stage and were voluntary in nature. Evidence also included the yearly budget and organization chart.
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.	⬤	Evidence suggested the organization is implementing the approved ESIA environmental and social management plans, but no evidence was provided of an update or rationale to demonstrate that updates of such plans are needed based on monitoring results
2.1.8.1.	As part of the ESMS, the operating company shall establish a program to monitor: <ul style="list-style-type: none"> <li>a. The significant environmental and social impacts identified during or after the ESIA process; and</li> <li>b. The effectiveness of mitigation measures implemented to address environmental and social impacts.</li> </ul>	⬤	Evidence provided suggested that the organization is implementing the approved ESIA environmental and social management plans. However, the organization is not implementing an environmental and social management system (ESMS).
2.1.8.2.	The monitoring program shall be designed and carried out by competent professionals.	✓	Competent professionals designed monitoring programs as they were conducted by a registered Chilean environmental consultant. Demonstrated qualifications of the organization's team are adequate for the nature of the monitoring programs. Consulting and lab staff are competent professionals.
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.	✓	The organization indicated its willingness to facilitate the Peine community to be an independent monitor entity certified with the Chilean government.
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: <ul style="list-style-type: none"> <li>a. The issues and impacts to be considered in the proposed scope of the ESIA (see 2.1.3);</li> <li>b. Methodologies for the collection of environmental and social baseline data (see 2.1.4);</li> <li>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);</li> <li>d. Options and proposals to mitigate the potential impacts of the project (see 2.1.5.1.c);</li> <li>e. Provisional conclusions and recommendations of the ESIA, prior to finalization (see 2.1.6.1); and</li> <li>f. The final conclusions and recommendations of the ESIA (see 2.1.6.1).</li> </ul>	✓	By reviewing the ESIA process, local communities were allowed sufficient time to raise questions and observations. Each community was addressed by the company, and others were considered not relevant by the Chilean Environmental Authority.

## Chapter 2.1—Environmental and Social Impact Assessment and Management






## Basis for Rating

2.1.9.2.	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 to mitigate the potential impacts of the project during and subsequent to the ESIA process..		Agreement between the organization and Consejo de Pueblos Atacameños includes the participation of community members during the monitoring established at the ESIA approval. However, the community has not yet been encouraged to provide options to mitigate potential impacts of the project.
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.		Evidence provided showed that the organization and the local stakeholders meet monthly to discuss a wide variety of items, including environmental monitoring participation. However, the participation of the community on the environmental and social monitoring program scope design is still in the early stages.
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.		Evidence provided shows that the organization and the local stakeholders meet monthly to discuss various items, including environmental monitoring participation, considered evidence of community participation during the monitoring fieldwork.
2.1.9.5.	The operating company shall record all stakeholder comments received in relation to ESIA scoping; implementation; ESIA findings, conclusions and recommendations; and the environmental and social monitoring program. The company shall record how it responded to stakeholder comments.		The SMA (Chilean Environmental Authority) keeps records of the ESIA findings and "scoping" phase comments and suggestions made by stakeholders, and are available to Albemarle.
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.		The ESIA dossier and all associated documents are publicly available on the Chilean Environmental Authority website.
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.		A public ESIA dossier contains a non-anonymous comments and responses version of the ESIA.
2.1.10.3.	The environmental and social management plan shall be made available to stakeholders upon request.		ESIA management plans are publicly available on the Chilean Environmental Authority website. However, no evidence of stakeholders requesting such plans from the organization was identified. The information is publicly available online.
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.		Monitoring reports are publicly available at the Chilean Public Institution but not at the company website. Also, the information does not contain annual summary reports. Monitoring reports are made publicly available by the organization, pending the 2021 monitoring report.
2.1.10.5.	The existence of publicly available ESIA and ESMS information, and the means of accessing it, shall be publicized by appropriate means.		ESIA and ESMPs are publicly available on the Chilean Environmental Authority website. However, while visiting the Peine community, the audit team confirmed the lack of internet access; therefore, the access to online information could be limited.



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

## Basis for Rating

2.2.1.1.	The operating company shall have a publicly available policy that includes a statement of the company's respect for indigenous peoples' rights, as set out in the United Nations Declaration on the Rights of Indigenous Peoples.		The organization provided evidence of a publicly available policy on indigenous peoples that references UNDRIP and other relevant international norms. This policy has been socialized amongst indigenous communities.
2.2.1.2.	The operating company shall ensure that indigenous peoples potentially affected by the company's mining-related activities are aware of the policy.		The organization provides minutes from Mesa de Trabajo Permanente (MTP) meetings of the Consejo de Pueblos Atacameños (CPA) and from meetings with individual communities where they present the corporate indigenous people's policy and code of conduct.
2.2.2.1.	The operating company shall conduct due diligence to determine if the host government conducted an adequate consultation process aimed at obtaining indigenous peoples' informed consent prior to granting access to mineral resources. The key findings of due diligence assessments shall be made publicly available and shall include the company's justification for proceeding with a project if the State failed to fulfill its consultation and/or consent duties.		The organization conducted due diligence and determined that FPIC was not implemented by government before obtaining mineral rights. (Chile was not a signatory to ILO169 in 2009 when the original EIA was done.) In 2009, there was a state-led indigenous consultation process as part of 'citizen participation,' but there was no option under Chilean law for a direct project-community consultation process. However, the organization engaged with relevant indigenous communities to create an FPIC-compatible process over a period of two years (ending in 2016) to ensure the indigenous communities' consent to current operations. The organization did not make any public statement to explain the original decision to proceed despite the government not having conducted FPIC prior to granting the concession.
2.2.2.2.	<b>Critical</b> New mines shall not be certified by IRMA unless they have obtained the free, prior and informed consent (FPIC) of potentially affected indigenous peoples. The circumstances for obtaining FPIC include situations where mining-related activities may affect indigenous peoples' rights or interests, including those that may: impact on lands, territories and resources; require the physical relocation of people; cause disruption to traditional livelihoods; impact on critical cultural heritage; or involve the use of cultural heritage for commercial purposes.		The organization's consultation with indigenous communities is codified in a series of convenios, and reflects indigenous preferences and priorities in terms of engagement. These convenios were negotiated with the communities over a period of 2 years, the documentation for which was provided. These convenios - along with interviews with relevant communities - constitute evidence that current operations have the consent of indigenous peoples in the project area. These convenios also lay out terms for ongoing engagement and consultation with indigenous communities, primarily through the Mesa de Trabajo Permanente (MTP), which meets regularly. (Evidence of regular meetings was obtained through interviews with community leaders and review of meeting minutes). The MTP member communities set the agendas for these meetings, in accordance with the terms of the signed convenios.
2.2.2.3.	For new and existing mines, the operating company shall obtain FPIC from indigenous peoples for proposed changes to mining-related activities that		The organization provided evidence that, via the Mesas de Trabajo Permanente, it consulted with indigenous communities in





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

## Basis for Rating

	may result in new or increased impacts on indigenous peoples' rights or interests.		the project area concerning their 'operational flexibility' project and that it has been responsive to requests for additional information. The organization states, however, that none of these activities constitute new impacts on indigenous populations. The organization provided evidence that they shared information about the new camp in Chépica (originally proposed by Peine itself) simultaneous to its development. The organization also provided evidence that they cancelled a water monitoring network plan in response to community opposition (based on prior consent). However, some communities indicated that information concerning these potential changes to the project was not always provided 'prior' to the initiation of activities or was not sufficient.
2.2.2.4	If indigenous peoples' representatives clearly communicate, at any point during engagement with the operating company, that they do not wish to proceed with FPIC-related discussions, the company shall recognize that it does not have consent, and shall cease to pursue any proposed activities affecting the rights or interests of the indigenous peoples. The company may approach indigenous peoples to renew discussions only if agreed to by the indigenous peoples' representatives.	—	The organization indicated that a request to stop FPIC processes has never been made by the communities. Ongoing minutes and evidence of engagement provide evidence of the ongoing willingness of groups to participate and engage. Interviews with communities did not reveal any such request.
2.2.3.1.	The operating company shall: <ul style="list-style-type: none"> <li>a. Consult with indigenous peoples and others, and review other relevant data to identify indigenous peoples that own, occupy or otherwise use land, territories or resources that may be affected by the mining project;</li> <li>b. Disclose to indigenous peoples, in a culturally appropriate manner, the preliminary project concepts and/or proposed activities, and the indigenous peoples' right to FPIC.</li> </ul>	●	The organization has identified and engaged with the 18 indigenous communities located in the project area, and has signed convenios (agreements) with the same pertaining to their rights and responsibilities vis-à-vis the project. The organization provided evidence of project information shared with these communities, as well as minutes demonstrating ongoing two-way engagement (through the Mesa de Trabajo Permanente) in which information about the project is solicited and shared with indigenous communities. The convenios do not, however, explicitly mention FPIC or state that the communities have the right to reject changes to the project that might have new impacts on their lands and resources. Nevertheless, a third-party report evaluating the convenios against international human rights standards including ILO169 states that the convenios are consistent with said laws (Sebastian Donoso report).
2.2.3.2.	The operating company shall collaborate with indigenous peoples' representatives and other relevant members of affected communities of indigenous peoples to: <ul style="list-style-type: none"> <li>a. Identify the appropriate means of engagement for each group of indigenous peoples (e.g., tribe, nation, population);</li> <li>b. Identify indigenous peoples' rights and interests that may be affected by the proposed activities;</li> </ul>	●	The organization has identified the existence and interests of all indigenous communities in the project area, and also contracted an external organization to assist with this scoping. The organization engages with indigenous communities according to procedures and preferences outlined in the various Convenios (agreements) that the organization has signed with these

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

## Basis for Rating

<p>c. Identify additional studies or assessments needed to determine the range and degree of potential impacts on indigenous peoples' rights or interests; and</p> <p>d. Identify if there are capacity issues that may prevent full and informed participation of indigenous peoples. If issues are identified, the operating company shall provide funding or facilitate other means to enable indigenous peoples to address capacity issues in their preferred manner; and</p> <p>e. Ensure that the community as a whole/collective has meaningful opportunities to be involved in these processes.</p>		<p>communities. The organization ensures that all communities can participate through the representative organization - the Consejo de Pueblos Atacamenos (CPA) and the Mesa de Trabajo Permanente (MTP). The organization has not, however, directly assessed or addressed capacity issues within each community to have their voices heard (by the representative body or the project directly), and some communities expressed that they were not adequately represented by the CPA or MTP.</p>
<p>2.2.3.3. The operating company shall collaborate with the indigenous peoples' representatives to design and implement plans to address the information gaps and needs identified through the scoping process.</p>		<p>The organization contracted an organization to write a research paper on indigenous peoples in the area and has engaged thoroughly with local indigenous groups through the MTP and CPA. Within the minutes of the MTP there were indications of requests for more information from indigenous peoples on certain components of the project and delivery of that information (typically in subsequent meetings). Per agreement with the organization, the CPA identified a consultant to perform an independent environmental evaluation of certain project components, but the local authorities deemed the selected consultant inappropriate. Provisions for this (joint approval of a third party to conduct biannual reviews of the implementation of the convenios) are laid out in the convenios themselves (Clause 12.6 of the CPA convenio). This process has since stalled and has not recommenced at the time of the audit. Several communities indicated that they required additional assistance in understanding technical components of the project.</p>
<p>2.2.4.1. If there is more than one distinct indigenous peoples' group (e.g., tribe, nation, population) that may be affected by the operating company's mining-related activities, they may be included in a coordinated process or separate FPIC processes, as desired by the indigenous peoples.</p>	<p>—</p>	<p>Not relevant - there are 18 geographic communities, but they all self-identify as being part of the same indigenous people - the Pueblo de Atacamenos, with common lineage (see Sebastian Donoso report, pg. 2). They have all agreed to be represented, therefore, by the CPA as an overarching body due to their common lineage. All 18 affected communities agreed to the terms of engagement captured in their own convenios (agreements) with the organization.</p>
<p>2.2.4.2. If the potentially affected indigenous peoples have an FPIC protocol in place or under development, the operating company shall abide by it unless changes are agreed to by the indigenous peoples' group(s). Otherwise, the operating company shall jointly develop and document, in a manner agreed to by indigenous peoples' representatives, the FPIC process or processes to be followed.</p>		<p>All 18 affected indigenous communities agreed to the terms of engagement captured in their own convenios (agreements) with the organization. No FPIC agreement existed prior to these convenios.</p>

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

## Basis for Rating

2.2.4.3	The operating company shall make information on the mutually-agreed FPIC processes publicly available, unless the indigenous peoples' representatives have explicitly requested otherwise.	✓	The indigenous communities have requested that the site not make the convenios ('FPIC' process) public and the organization has respected this.
2.2.5.1.	The operating company shall document, in a manner agreed to by the indigenous peoples, the FPIC process that was followed.	✓	The convenios governing relations between the organization and indigenous communities in the project area were negotiated over a period of two years in which the indigenous communities themselves shaped outcomes. The site provided evidence that the process continues to be driven by the communities themselves, in terms of agenda setting and rules of engagement.
2.2.5.2.	The operating company shall publicly report, in a manner agreed to by the indigenous peoples, on the FPIC process that was followed and its outcome.	—	Indigenous peoples have requested that the organization not make the convenios signed with the site (the 'outcome' of the FPIC process) public and the organization has not.
2.2.5.3.	If the process results in consent being given by indigenous peoples to certain mining-related activities, an agreement outlining the terms and conditions shall be signed or otherwise validated by the operating company and the representative(s) of the indigenous peoples. The agreement shall be binding and shall be made publicly available unless the indigenous peoples' representatives explicitly request otherwise.	✓	The convenios governing relations between site and indigenous peoples was negotiated over a period of 2 years in which indigenous communities themselves shaped outcomes. These convenios constitute consent by the communities for the project. The indigenous communities have requested that the site not make the convenios ('FPIC' process) public and the organization has respected this.
2.2.6.1	For new mines, IRMA certification is not possible if a mining project does not obtain free, prior and informed consent from indigenous peoples.	—	Not relevant as this is not a new mine.
2.2.7.1.	The operating company shall collaborate with indigenous peoples to monitor implementation of the FPIC agreement, and document the status of the commitments made in the agreement.	✓	The MTP serves as a monitoring committee, as well as a forum for engagement. Aspects of minutes from meetings provided demonstrate ongoing evaluation of commitments, including financial transfers and provision of information requested.
2.2.7.2.	Engagement with indigenous peoples shall continue throughout all stages of the mining project.	✓	The organization provided evidence of regular meetings with the MTP that were documented in minutes that included dates and participant names. Communities confirmed these meetings.

## Chapter 2.3—Obtaining Community Support and Delivering Benefits

## Basis for Rating

2.3.1.1.	The operating company shall publicly commit to: <ol style="list-style-type: none"> <li>Maintaining or improving the health, social and economic wellbeing of affected communities; and</li> <li>Developing a mining project only if it gains and maintains broad community support.</li> </ol>	⊕	The organization references the convenios signed with individual communities and indigenous groups, but these groups requested that these not be made public. These convenios imply broad public support was obtained but does not state it as an explicit requirement for operations. The document 'Chile Host Engagement Procedures' approaches a public commitment to contributing to local
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## Chapter 2.3—Obtaining Community Support and Delivering Benefits

## Basis for Rating

			development, but no evidence provided that demonstrates this document is public. This document also does not state the requirement for broad public support. The site references corporate level policies but does not provide them (i.e., anticorruption policy and charitable donations and community projects procedure).
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 as this is not a new mine
2.3.2.2.	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: <ul style="list-style-type: none"> <li>a. Occurred after the operating company carried out consultations with relevant stakeholders regarding potential impacts and benefits of the proposed mining project;</li> <li>b. Was transparent;</li> <li>c. Was free from coercion or manipulation; and</li> <li>d. Included the opportunity for meaningful input by all potentially affected community members, including women, vulnerable groups and marginalized members, prior to any decision or resolution.</li> </ul>	—	Not relevant as this is not a new mine
2.3.2.3.	For existing mines, the operating company shall demonstrate that the mine has earned and is maintaining broad community support.	⊕	The organization provided convenios with communities in the area stating their support for the project. There is no formal grievance mechanism for communities related to the project. However, interviews with communities indicated that although there was perceived room for improvement in relations between the project and communities, and some felt as though more benefits could be transferred to communities, there was no widespread opposition to its presence.
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 organization makes developmental decisions through the established governing body (the Mesa de Trabajo Permanente (MTP) of the Consejo de Pueblos Atacameños (CPA)). Developmental assistance comes in the form of a regular transfer of a percentage of profits to each community with which the organization has an agreement. Per the agreement with the communities, the organization does not influence how this money is spent within the communities.
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	⊕	The 'Chile Host Engagement Procedure' draft document refers to inclusion of vulnerable populations in decision-making and consultations, but no evidence of this is provided. The organization engages almost exclusively through the MTP or CPA, the

## Chapter 2.3—Obtaining Community Support and Delivering Benefits

## Basis for Rating

	representatives), good governance and transparency.		representatives of which purportedly represent all community members, including the most vulnerable. However, no evidence was provided that the organization has taken steps to ensure this is the case. Similarly, the organization defers to the MTP or CPA for decisions about distribution of funds and makes no efforts to ensure that the funds are being distributed in a way that benefits vulnerable populations.
2.3.3.3.	If requested by the community and not provided by the appropriate public authorities, the operating company shall provide funding for mutually agreed upon experts to aid in the participatory process.		Convenios were concluded with the help of external legal counsel to ensure compliance with local laws. No evidence was provided specifically concerning whether the external council was financed by the organization or the communities. The organization has a history of providing capacity-building support to communities upon request.
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).		Convenios demonstrate contributions (scholarships, etc.) to various communities as determined by the MTP. However, it is unclear whether the beneficiaries of these programs include vulnerable or marginalized persons, and whether and how these programs are sustainable after closure. The organization does not intervene in decisions made about how the funds transferred are used within the communities.
2.3.3.5.	The planning process and any outcomes or decisions shall be documented and made publicly available.		Convenios and actas (minutes) from meetings demonstrate documentation; however, these are not publicly available due to confidentiality concerns and because the communities themselves asked that the convenios not be made public. The organization indicates that they are creating a communications plan to share information publicly without breaching confidentiality.
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 organization provides evidence of both internal and third-party evaluations / due diligence on the delivery of funds and development projects. The organization provides a draft 'host engagement policy' and form aimed at monitoring and regulating transfer and use of development funds, but no evidence was provided that these have been implemented. The organization does not monitor effectiveness of use of funds (beyond ensuring that the funds are transferred to the communities) as they defer to the communities or CPA to determine the uses for community benefits support.






## Chapter 2.4—Resettlement

## Basis for Rating

Chapter Not Relevant	—	Not relevant because no resettlement has occurred in association with this mine.
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## Chapter 2.5—Emergency Preparedness and Response

## Basis for Rating

<p>2.5.1.1. <b>Critical</b> All operations related to the mining project shall have an emergency response plan conforming to the guidelines set forth in <i>United Nations Environment Programme, Awareness and Preparedness for Emergencies at the Local Level (APELL)</i> for Mining.</p>	 The emergency plan evidenced in response to this IRMA requirement is compliant. During stage 2 it was observed that community consultation for potential emergencies that could impact them was in the latest stages of development but not concluded. Consultation was ongoing but no feedback had yet been received. The plan also has missing components, including awareness and preparedness for emergencies at local level (APELL), including stakeholder participation requirements.
<p>2.5.1.2. The operating company shall:</p> <ul style="list-style-type: none"> <li>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</li> <li>b. Update the communications contacts of the emergency response plan at least annually.</li> </ul>	 Emergency drills for the worker housing (camp) were performed and for the drill program control effectiveness is considered. There is an opportunity to learn from drills by generating root causes from gaps detected. Prior to the follow-up assessment the site generated a critical scenario drill to complement the complete drill program.
<p>2.5.2.1. <b>Critical</b> 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>	 The organization provided evidence that an emergency plan dealing specifically with the workers' camp in Peine was prepared and presented to community leaders for feedback in early May 2022 (feedback received in June 2022). While recognizing a longer history of cooperation on emergency matters with the community of Peine, the formulation of this plan and its socialization amongst the community did not occur prior to the Stage 2 onsite audit.  During the follow-up assessment further evidence of improved communication with community was observed. Drill performed identified gaps; however, still there is an opportunity to better communicate with community leaders, formulate a communication plan that is not based on persons but on positions, and ensure when community leaders change that this is reflected and properly communicated.  During the further assessment the site generated a critical scenario drill to complement the complete drill program.
<p>2.5.3.1. All operations related to the mining project shall be covered by a public liability accident insurance policy that provides financial insurance for unplanned accidental events.</p>	 Evidence provided, including documentation of public liability insurance and contractor insurance requirements, demonstrates compliance with this requirement.
<p>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.</p>	 Some of the IRMA requirements are not satisfied by the current policy; however, several of these requirements are not applicable for this operation, such as "flood damage, landslides, subsidence, mine waste facility failures." Therefore, coverage is assured by GL policies. Dust impact from the mine is not covered in the public liability policy and major spills can be covered under hazardous transportation contracts.






## Chapter 2.5—Emergency Preparedness and Response

### Basis for Rating

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.		There is an insurance policy that is transferrable to the new owner of the operations.
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## Chapter 2.6—Planning and Financing Reclamation and Closure

### Basis for Rating

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.		Evidence provided indicates that the organization is committed to ensuring reclamation of mine operations. In addition, exploration has been integrated into the operations when designing closure measures.
2.6.1.2.	The operating company shall implement exploration-related reclamation in a timely manner.		Exploration has been integrated into the operations and together they have been incorporated into the design of closure measures.
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).		The means for resolving reclamations at Albemarle include an operational grievance mechanism implemented for workers, as stated in chapter 1.4. However, there is not an operational grievance mechanism implemented for communities. Reportedly, any complaints of the communities are received and communicated to responsible personnel to be evaluated for resolution. Reportedly, no complaints of incomplete or inadequate exploration reclamation have been filed.
2.6.2.1	<b>Critical</b> 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.		A closure plan is in place and addresses returning to a stable landscape while protecting human health and environment.
2.6.2.2	At a minimum, the reclamation and closure plan shall contain: <ul style="list-style-type: none"> <li>a. A general statement of purpose;</li> <li>b. Site location and background Information;</li> <li>c. A description of the entire facility, including individual site features;</li> <li>d. The role of the community in reviewing the reclamation and closure plan;</li> <li>e. Agreed-upon (after-ESIA) post-mining land use and facility use;</li> <li>f. Source and pathway characterization including geochemistry and hydrology to identify the potential discharge of pollutants during closure;</li> <li>g. Source mitigation program to prevent the degradation of water resources;</li> <li>h. Interim operations and maintenance, including process water management, water treatment, and mine site and waste site geotechnical stabilization;</li> <li>i. Plans for concurrent or progressive reclamation and revegetation, which should be employed wherever practicable;</li> <li>j. Earthwork: <ul style="list-style-type: none"> <li>i. Stabilization and final topography of the reclaimed mine lands;</li> </ul> </li> </ul>		Based upon review of the mine closure plan, the required elements of this IRMA criteria appear to be included, except for the role of the community in reviewing the reclamation and closure plan.



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<ul style="list-style-type: none"> <li>ii. Storm water runoff/run-on management;</li> <li>iii. Topsoil salvage to the maximum extent practicable;</li> <li>iv. Topsoil storage in a manner that preserves its capability to support plant regeneration;</li> <li>k. Revegetation/Ecological Restoration: <ul style="list-style-type: none"> <li>i. Plant material selection, prioritizing native species as appropriate for the agreed post-mine land use;</li> <li>ii. Quantitative revegetation standards with clear measures to be implemented if these standards are not met within a specified time;</li> <li>iii. A defined period, no longer than 10 years, when planned revegetation tasks shall be completed;</li> <li>iv. Measures for control of noxious weeds;</li> <li>v. Planned activities to restore natural habitats (as well as biodiversity, ecosystem services and other conservation values as per Chapter 4.6);</li> </ul> </li> <li>l. Hazardous materials disposal;</li> <li>m. Facility demolition and disposal, if not used for other purposes;</li> <li>n. Long-term maintenance;</li> <li>o. Post-closure monitoring plan;</li> <li>p. The role of the community in long-term monitoring and maintenance (if any); and</li> <li>q. A schedule for all activities indicated in the plan.</li> </ul>		
<p>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:</p> <ul style="list-style-type: none"> <li>a. Mobilization/demobilization;</li> <li>b. Engineering redesign, procurement, and construction management;</li> <li>c. Earthwork;</li> <li>d. Revegetation/Ecological Restoration;</li> <li>e. Disposal of hazardous materials;</li> <li>f. Facility demolition and disposal;</li> <li>g. Holding costs that would be incurred by the regulatory agency following a bankruptcy in the first two years before actual reclamation begins, including: <ul style="list-style-type: none"> <li>i. Interim process water and site management; and</li> <li>ii. Short-term water treatment;</li> </ul> </li> <li>h. Post-closure costs for: <ul style="list-style-type: none"> <li>i. Long-term water treatment; and</li> <li>ii. Long-term monitoring and maintenance;</li> </ul> </li> <li>i. Indirect Costs: <ul style="list-style-type: none"> <li>i. Mobilization/demobilization;</li> <li>ii. Engineering redesign, procurement and construction management;</li> <li>iii. Contractor overhead and profit;</li> <li>iv. Agency administration;</li> <li>v. Contingency; and</li> </ul> </li> <li>j. Either: <ul style="list-style-type: none"> <li>i. A multi-year inflation increase in the financial surety; or</li> <li>ii. An annual review and update of the financial surety.</li> </ul> </li> </ul>	<p>✓</p>	<p>Evidence provided showed that the closure plan includes a detailed determination of the estimated costs of 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 the regulatory agency.</p>



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2.6.2.4.	The operating company shall review and update the reclamation and closure plan and/or financial assurance when 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.	✓	The organization reviews and updates its reclamation and closure plan when there is a significant change to the mine plan, or at least every 5 years per local regulations.
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: <ul style="list-style-type: none"> <li>a. If necessary, the operating company shall provide resources for capacity building and training to enable meaningful stakeholder engagement; and</li> <li>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.</li> </ul>	⚡	The organization has a communication and dissemination plan as part of the closure plan. Further, it has included in their webpage the following quote: "affected communities and interested stakeholders have a 60-day comment period to provide comments on the Closure Plan and to propose independent experts to provide input on the said plan." However, a formal procedure to submit and receive comments to the operating company has not been included within this communication; therefore, it is unclear how comments can be provided and received.
2.6.2.6.	<b>Critical</b> 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.	✓	Evidence provided indicates that the Reclamation and Mine Closure Plan submitted in 2015 and approved in 2016 by Resolution 631 is publicly available on the authority website. Most recent versions of the Reclamation and Mine Closure Plan, such as that updated and approved in 2019 are publicly available on the authority website.
2.6.3.1.	Open pits shall be partially or completely backfilled if: <ul style="list-style-type: none"> <li>a. A pit lake is predicted to exceed the water quality criteria in IRMA Chapter 4.2; and</li> <li>b. The company and key stakeholders have agreed that backfilling would have socioeconomic and environmental benefits; and</li> <li>c. It is economically viable.</li> </ul>	—	As it was confirmed during the onsite assessment, no pit lakes were observed at the site. Therefore, this requirement has been deemed not relevant.
2.6.3.2.	Underground mines shall be backfilled if: <ul style="list-style-type: none"> <li>a. Subsidence is predicted on lands not owned by the mining company; and</li> <li>b. If the mining method allows.</li> </ul>	—	No underground mining exists, and an underground mine is not anticipated.
2.6.4.1.	<b>Critical</b> Financial surety instruments shall be in place for mine closure and post-closure.	✓	Financial surety instruments are in place for mine closure and post-closure.
2.6.4.2.	Financial surety instruments shall be: <ul style="list-style-type: none"> <li>a. Independently guaranteed, reliable, and readily liquid;</li> <li>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;</li> <li>c. In place before ground disturbance begins; and</li> <li>d. Sufficient to cover the reclamation and closure expenses for the period until the next financial surety review is completed.</li> </ul>	—	Requirement 2.6.4.2 will remain in the Standard but will not be assessed or scored until it is updated in the next revision of the Standard.
2.6.4.3.	Self-bonding or corporate guarantees shall not be used.	—	Requirement 2.6.4.3 will remain in the Standard but will not be assessed or scored

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		until it is updated in the next revision of the Standard.
2.6.4.4.	The results of all approved financial surety reviews, with the exception of confidential business information, shall be made available to stakeholders upon request.	✓ Evidence provided indicates that the mine closure plan that included the financial surety, submitted in 2015 and approved in 2016 by Resolution 631, is publicly available on the authority website.
2.6.4.5.	<p>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:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b. If necessary, the operating company shall provide resources for capacity building and training to enable meaningful stakeholder engagement; and</li> <li>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.</li> </ul>	⊕ The operating company has a communication and dissemination plan as part of the closure plan, including its financial surety. Further, it has included in its website the following quote: "affected communities and interested stakeholders have a 60-day comment period to provide comments on the adequacy of the financial sureties and to propose independent experts to review the financial surety." However, a formal procedure to submit and receive comments to the operating company has not been included within this communication; therefore, it is unclear how comments can be provided and received.
2.6.4.6.	<p>The terms of the financial surety shall guarantee that the surety is not released until:</p> <ul style="list-style-type: none"> <li>a. Revegetation/ecological restoration and reclamation of mine and waste sites and have been shown to be effective and stable; and</li> <li>b. Public comment has been taken before partial or final surety release.</li> </ul>	⊕ The rationale states that as part of local regulations, as those included in Decreto 41/2012, MINISTERIO DE MINERÍA, government will only release the financial surety once the rehabilitated area is found to be meeting the agreed criteria. However, this decree does not require that public comment be taken to release the surety, and evidence provided does not indicate that the organization has a procedure to do so either.
2.6.5.1.	<p>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"> <li>a. Inspection of surface (open pits) and underground mine workings;</li> <li>b. Inspection and maintenance of mine waste facilities including effectiveness of cover and any seepage capture systems; and</li> <li>c. Mechanisms for contingency and response planning and implementation.</li> </ul>	✓ The reclamation and closure plan includes the post-closure monitoring and maintenance provisions included in this requirement.
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.	✓ Evidence provided indicated that the post-closure monitoring program includes surface and groundwater monitoring locations sufficient to detect offsite impacts from the Albemarle Planta Salar de Atacama.
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-	⊕ Evidence provided indicated that monitoring of ground water, surface water, volume and quality of water will continue during closure.

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	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.		Specifically, ground water will be monitored for 5 years after closure has started and since closure is thought to continue for 2 years, the remaining 3 years are thought to consist of post-closure monitoring. However, the same evidence does not indicate that monitoring locations will be sampled until the IRMA Water Quality Criteria or baseline criteria have been met for at least 5 years, with a minimum of 25 years of post-closure data.
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>Review of the ESIA and BMP indicated that the fauna component and the ecosystems they sustain (terrestrial and aquatic) are not associated with harmful effects.</p> <p>After the onsite Stage 2 assessment, an inquiry was received from a university expressing concern for mining activity in Argentina and the potential impact on the Andean flamingo population. Additional information regarding this inquiry can be found in the stakeholder comments section of this report. No evidence was presented or identified during the onsite assessment of incidents related to flamingo mortality and mining operations.</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.	—	No pit lakes were observed at the site; therefore, this requirement has been deemed not relevant.
2.6.6.1.	<p>Long-term water treatment shall not take place unless:</p> <ol style="list-style-type: none"> <li>All practicable efforts to implement best practice water and waste management methods to avoid long-term treatment have been made; and</li> <li>The operating company funds an engineering and risk assessment that: <ol style="list-style-type: none"> <li>Is carried out by an independent third-party;</li> <li>Evaluates the environmental and financial advantages/disadvantages and risks of long-term water treatment versus other mitigation methods;</li> <li>Incorporates data on the failure rates of the proposed mitigation measures and water treatment mechanisms;</li> <li>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</li> <li>Includes consultations with stakeholders and their technical representatives during the design of the study, and discussion of findings with affected communities prior to mine construction or expansion.</li> </ol> </li> </ol>	—	No Long-term water treatment is expected or required, nor has it been identified in the site assessments and studies, nor required by the local authorities.
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.	—	No Long-term water treatment is expected or required, nor has it been identified in the site assessments/studies or required by the local authorities.

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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.	✓	Evidence provided indicated that the financial surety instruments in place cover the costs related to mine closure and post-closure and that the financial surety in place for post-closure is in the form of a financial guarantee held by an independent entity and not in the form of a self-bond or corporate guarantee, which can only be released once the government has issued a certificate attesting the rehabilitated area is found to be meeting the agreed criteria.
2.6.7.2.	If long-term water treatment is required post-closure: <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>	—	No long-term water treatment is expected or required, nor has it been identified in the site assessments/studies or required by the local authorities.
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.	✓	Evidence provided indicated that the financial surety has been reviewed by a government agency registered professional and the professional's credentials have been placed on the reviewed document. It was also evident that the frequency of the review is every 5 years or when a change is proposed.
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: <ul style="list-style-type: none"> <li>a. A real interest rate of 3% or less; unless the entity holding the financial surety can document that a higher long-term real interest rate can be achieved; and</li> <li>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).</li> </ul>	✓	Evidence provided indicated that the closure plan updated was submitted to the Chilean authority SERNAGEOMIN in May 2021 under the following conditions: a) a real interest rate of 1.78 is used, which was obtained from the Central Bank of Chile; and b) it is not applicable to the organization case since the financial surety is calculated according to the useful life of the production process and it is not calculated until NPV difference between the last 2 years is US\$10.00 or less.

## Principle 3: Social Responsibility





RATING LEGEND  
Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

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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.	Policies include code of conduct, Albemarle's code of conduct for business partners, global compensation policy, and investigations policy and procedure. Policy includes elements for personnel management and reference to compliance with IRMA requirements and national laws.  Workers and labor unions acknowledge the policy and procedures. The policy is posted on the organization's website.
3.1.2.1.	<b>Critical</b> The operating company shall respect the rights of workers to freedom of association and collective bargaining.	The organization's policies recognize the right of association, and agreements have been signed with labor organizations. The workers recognize their right of association and receive information about it.  Unions include the Union of Supervisors, administrative and technical workers Abemarle Limitada, Union of Workers of the Company N°4 Albemarle Ltda and Union of Workers of the Company Albemarle Salar.
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.	National law includes the right of association. The organization complies with Chilean regulations and refers to the regulation of labor relations between employers and workers ( <a href="https://www.bcn.cl/leychile/navegar?idNorma=207436">https://www.bcn.cl/leychile/navegar?idNorma=207436</a> ).
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.	Notifications of collective bargaining agreements are evidenced in two cases: Communicated November 2020, ends collective bargaining Union No. 4 of ALB workers (Validity 36 months); Communicated September 2021, ends collective bargaining Union of Workers of Albemarle Salar Company (135 associates; they were on strike); it is the 4th collective bargaining (validity 36 months).  While there is no evidence associated with whether the organization provides workers' representatives and workers' organizations with the information necessary for meaningful bargaining in a timely manner, there is also no evidence of records of complaints or grievances filed by workers' representatives related to lack of information or lack of information in a timely manner, and any follow-up by the company. In the







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		interviews, workers and labor unions did not present any nonconformities related to the delivery by the organization of the necessary information.
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.	 Although agreements between the organization and the labor unions do not include reference to access to and use of the facilities necessary to carry out the functions of the labor unions, the interviewees did not identify this as a breach or restriction to their exercise. The agreements also do not indicate conditions associated with the accommodation of workers' representatives at mine entry and exit sites or other remote locations, when necessary. Nevertheless, interviews indicated that union representatives do not have any concerns with access given by the organization.
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.	 The organization has a policy and collective bargaining agreements. Workers and union representatives reported in interviews that, at the time of joining the organization, the organization has informed them of the existence of unions and does not restrict access to and membership in unions. <p>The evidence does not include records of complaints or grievances, or lack thereof, filed by workers or their representatives regarding company interference in workers' organizing efforts.</p> <p>Interviews identified that both the organization has sued some representatives and workers, and worker representatives and workers have filed suit against the organization. No consolidated information was obtained on complaints, lawsuits and ongoing processes.</p> <p>It is not possible to identify whether or not sanctions are imposed on workers' organizations that participate in a strike. It is understood that the processes are in judicial instances.</p>
3.1.2.6.	Upon employment, the operating company shall: <ol style="list-style-type: none"> <li>Inform workers of their rights under national labor and employment law;</li> <li>Inform workers that they are free to join a workers' organization of their choosing without any negative consequences or retaliation from the operating company;</li> <li>If relevant, inform workers of their rights under any applicable collective agreement; and</li> <li>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.</li> </ol>	 At the time of hiring, the organization informs workers of their rights, including the right to freedom of association. Once the employee chooses a labor union (optional), the labor union and the organization inform them of their rights according to the applicable collective bargaining agreement. There is no evidence that contact information for labor union leaders is provided to workers; however, all workers interviewed indicated that the organization empowered their choice and information provided was sufficient for them to make an informed decision as to union membership.
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.	 The organization has a freedom of association and collective bargaining policy and a collective bargaining agreement. <p>The organization has procedures and processes in place with explicit non-retaliation references, a posture which was confirmed by workers and union representatives interviewed. However, there are ongoing processes that indicate that one of the labor unions is concerned about possible retaliation. The outcome of this formal legal proceeding may have</p>

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		implications for the rating assigned to this requirement in the future.
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.	 Workers and labor union representatives did not report any noncompliance with agreements or contractual conditions.
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.	 Evidence provided, including worker and union representative interviews, indicate that the organization does not use short-term contracts to undermine collective bargaining and legal job action.
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.	 There are no associated findings. There was knowledge of a possible ongoing case before the courts. No detailed consolidation of complaints, claims, and lawsuits was obtained because they are confidential for the organization.  The organization does not hire replacement workers to prevent, undermine or break up a legal strike, or avoid negotiating in good faith. From interviews, it is apparent that the organization does not have a method to hire temporary workers to undermine worker's rights. Processes for temporary workers are usually related to specific tasks.
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.	 The organization indicates that it hires under principles of equal opportunity and fair treatment. Workers confirmed that discrimination against women does not occur. Nevertheless, the organization's own human rights risk assessment identified potential discrimination based on ethnic origin as one of the risks. The organization indicated commitment to manage this risk moving forward.  In interviews, workers and representatives of labor unions indicated that there was no gender discrimination, but some indicated that there was discrimination based on ethnic origin. However, many of these indicated that ethnic origin was correlated with lower levels of formal education and acknowledged that the perceived discrimination may be against those lacking formal education.
3.1.3.2	Exceptions to 3.1.3.1 may be made with respect to hiring and recruitment in the case of: 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.	 The organization does not have hiring goals for local residents of indigenous peoples, nor percentage or quota agreements with indigenous peoples. The communities and CPA interviewed indicate that they do not know how many people from the communities are hired, but expect to have a higher labor participation compared to non-local workers. There is no evidence of non-discrimination of indigenous peoples in hiring.
3.1.3.3.	<b>Critical</b> The operating company shall take measures to prevent and address harassment,	 The organization provided evidence of an anti-discrimination policy, and equal opportunity and fair



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	intimidation, and/or exploitation, especially in regard to female workers.		treatment in employment awareness raising for employees (through code of conduct). In interviews, female employees reported good treatment and no discrimination based on gender. Although no specific prevention measures were identified, the women acknowledged good treatment without harassment. A small number of (male) workers reported verbal harassment; however, the site has a confirmed and socialized policy on workplace discipline including prohibition of harassment that it enforces.
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.	—	Not relevant as there has been no past or planned retrenchment at the project.
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 for the benefit of workers. Where payments are made for the benefit of workers, they shall be provided with evidence of such payments.	—	Not relevant as there has been no past or planned retrenchment at the project.
3.1.5.1.	<b>Critical</b> The operating company shall provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. The mechanism, at minimum: a. 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; b. Shall allow for anonymous complaints to be raised and addressed; c. Shall allow workers' representatives to be present, if requested by the aggrieved worker; and d. 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 organization has investigation procedures, integrity line and others. Workers and labor union representatives interviewed indicated that they are aware of the grievance mechanisms. Complaints can be submitted anonymously. Although there was no detailed knowledge of cases in which workers have resorted to judicial or administrative remedies, workers reported that they have used them.
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.	☑	Interviews with workers revealed that in addition to the formal mechanism, workers turn to their supervisors to channel their concerns. There is general, but not specific, knowledge on the part of workers of how the formal mechanisms operate. Albemarle communications, including information about the integrity line, also informed workers of the mechanisms available, and posters were posted around the project site in accessible locations.



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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.	✓	The organization provided screenshots of its Convercent system in which all internal grievances are managed.
3.1.6.1.	The operating company shall have documented disciplinary procedures (or their equivalent) that are made available to all workers.	⚡	The organization has disciplinary procedures that it communicates to workers through the document Reglamento Interno de Orden, Higiene y Seguridad (Internal Rules of Order, Hygiene and Safety). It was verified in the interviews that this document is given to workers at the time of entry, who must sign that they have received it. In the interviews, the workers indicated that they have this material but in most cases they have not read it. Some procedures are in English, which may limit access for workers whose language is Spanish.
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 documents provided indicated that the organization prohibits the use of corporal punishment; harsh or degrading treatment; sexual or physical harassment; mental, physical or verbal abuse; and coercion or intimidation of workers. Upon inquiring about this criteria in the interviews, no evidence of practices associated with these abuses by the organization was identified.
3.1.6.3.	The operating company shall keep records of all disciplinary actions taken.	✓	The organization keeps records of all disciplinary actions taken. Records and presentations providing meta-analysis of these trends over time were shown.
3.1.7.1.	The operating company shall document the ages of all workers.	✓	Procedures and documentation reviewed confirmed age verification in hiring. In interviews, workers indicated that in the selection process, they must show proof of age documentation; only workers over 18 years of age are admitted. The organization presented evidence of the ages of workers, but did not present copies of worker files (with copies of identification) due to confidentiality.
3.1.7.2.	<b>Critical</b> 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).	✓	In accordance with the human rights policy, the organization prohibits child labor, and avoids the use of any type of child labor. Also, the labor rights policy states to refrain from hiring workers under 18 years of age for positions requiring hazardous work that may endanger their health or safety. Review of company procedures and other documentation confirm that there is a commitment to age verification for hiring, both for contractors and direct project employees. In interviews workers confirmed that for the selection process, they must provide proof of age documentation.
3.1.7.3.	<b>Critical</b> The minimum age for non-hazardous work shall be 15, or the minimum age outlined in national law, whichever is higher.	✓	In accordance with the human rights policy, the organization prohibits child labor, and avoids the use of any type of child labor. Also, the labor rights policy states to refrain from hiring workers under 18 years of age for positions requiring hazardous work that may endanger their health or safety. Review of company procedures and other documentation confirm that there is a commitment to age verification for hiring, both for contractors and direct project employees. In interviews workers confirmed that for the selection process, they must provide proof of age documentation.
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	—	Not relevant as there are no employees under 18 years of age.






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	that regular monitoring of the child's health, working conditions and hours of work occurs by the national labor authority, or if that is not possible, by the company itself.		
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: 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.	—	Not relevant as there are no employees under 18 years of age.
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 demonstrate that they are complying with this chapter.		ALB declares that there are currently no employees under 18 years of age hired by Albemarle Ltda or contractors. The model service contract submitted by the organization does not include references to not hiring minors. There is no evidence of DD on the service contracts to verify the ages of the contractors' workers.
3.1.8.1.	<b>Critical</b> The operating company shall not employ forced labor or participate in the trafficking of persons.	✓	The organization prohibits the use of forced labor, human trafficking, involuntary prison labor or any other action that may adversely affect the labor or human rights of workers. No records of worker grievances are attached indicating that there are grievances associated with this item. No evidence of forced labor was identified during the site visit and interviews with workers and communities.
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.	✗	The organization states that it prohibits the use of forced labor, human trafficking, involuntary prison labor or any other action that may negatively affect the labor or human rights of workers. While the company has not identified a high risk of human rights, documentary evidence does not confirm that the company has assessed the risk of forced labor or human trafficking in its supply chain (supply chain due diligence reports; supplier monitoring procedures; supplier monitoring records). There is no evidence of this risk in interviews with workers and communities.
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.	ⓘ	<p>The organization has policies regarding remuneration and paid time off. The organization declares that it respects the minimum wage provisions of national legislation and the wage provisions of collective bargaining agreements. Collective bargaining includes agreements on wages, including compensation, frequency of payment, etc.</p> <p>During the onsite visit, the organization presented the summary of the analysis of the lowest average wages; the organization assured that wages are above the minimum wage.</p> <p>Although in the interviews with workers and union leaders no one expressed concerns about wages, the</p>

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		<p>organization did not provide specific information on the wages received by workers.</p> <p>The organization made references to the living wage concept but the organization's concept for its application was not identified. No payroll records, payment methods, or wage deductions were provided.</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> The organization ensures that overtime is recognized in accordance with collective bargaining agreements and national legislation. Collective bargaining agreements and internal regulations on order, hygiene and safety show that they include recognition of overtime, depending on whether it is holiday work, night work or daytime overtime work.</p> <p>While in interviews with workers and labor union representatives, no one expressed concerns about overtime pay, the organization did not provide specific information on the income received by workers for their work that could be confirmed.</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> Before joining the company, job candidates receive an offer letter with details of the payments they will receive. After being hired, all employees can access the digital salary settlement via APD's self-consultation portal, even from their own devices.</p> <p>In interviews with workers and union leaders, it was identified that they do receive payment information. However, the organization did not provide specific evidence in this regard.</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> Remunerations are paid monthly, either at the workplace or through deposits in bank accounts, as agreed with the employee. Employees have access to the "Workday" platform where they can enter their bank details to receive their salary. Interviews revealed no concerns from workers about the timing or means of payment.</p>
3.1.9.5.	<p>The operating company shall ensure that deductions from wages are not made for disciplinary purposes unless one of the following conditions exist:</p> <ul style="list-style-type: none"> <li>a. Deductions from wages for disciplinary purposes are permitted by national law, and the law guarantees the procedural fairness of the disciplinary action; or</li> <li>b. Deductions from wages for disciplinary purposes are permitted in a freely negotiated collective bargaining agreement or arbitration award.</li> </ul>	<p> According to the internal regulations, deductions from wages are allowed by national legislation. This is Article 57, c) of the Chilean Labor Code.</p> <p>In the interviews there were no references to disciplinary deductions. The organization did not provide specific information in this regard.</p>
3.1.10.1.	<p>The operating company shall ensure that:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. Workers are provided with at least 24 consecutive hours off in every 7-day period; and</li> <li>c. Overtime is consensual, and limited to 12 hours a week.</li> <li>d. Exceptions to 3.1.10.1.b and c shall be allowed at mines in remote locations if:</li> </ul>	<p> Workers work a variety of shift types, depending on their position. For most, regular working hours is 12 hours per day (4 days), 48 per week. Workers have 3 consecutive days off. Some workers work 12 days on, 12 days off.</p>

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	<ul style="list-style-type: none"> <li>i. A freely negotiated collective bargaining agreement is in force that allows variances to the rest and/or overtime hours above; and</li> <li>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 on the health, safety and welfare of workers.</li> </ul>		
3.1.10.2.	<p>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"> <li>a. An annual paid holiday of at least three working weeks per year, after achieving one year of service; and</li> <li>b. A maternity leave period of no less than 14 weeks.</li> </ul>	—	<p>Maternity and vacation times are in accordance with Chilean regulations, Law 20.545. Female workers are entitled to maternity leave of 6 weeks before and 12 weeks after childbirth. The agreements include references to paid vacation periods, in accordance with national law. Maternity leave is also contemplated. The father will be entitled to a paid leave of 5 days. There is a bonus for the birth of a child, and vacation for 10 continuous days.</p>





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3.2.1.1.	<p>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>The organization has implemented a health and safety management system. The management system is aligned with local requirements, including risk assessment control implementation, monitoring incident investigation reporting, and corrective acting implementation.</p> <p>Performance measurement is based on a yearly determination of objectives and targets, three of which are lagging in nature and one leading.</p>
3.2.2.1.	<p>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>The organization has a methodology to identify and analyze risks from their operation; however, the methodology has potential improvement opportunities, such as the fact that the risk assessment considers multiple hazards and multiple controls as a single risk variable, making challenging the proper risk assessment if a single control variable fails. The methodology has consideration for hierarchy of control, but this is not documented for several of the hazards. Also, not all emergency situations were considered.</p>
3.2.2.2.	<p>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"> <li>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;</li> <li>b. All personnel, contractors, business partners, suppliers and visitors;</li> <li>c. Unwanted events;</li> <li>d. Routine and non-routine activities, products, procedures, and services; and</li> <li>e. Changes in duration, personnel, organization, processes, facilities, equipment, procedures, laws, standards, materials, products systems and services.</li> </ul>	⊕	<p>The methodology used is at times confusing because it mixes one task with several hazards and several controls including non-applicable controls to specific hazards. This increases the subjectivity of the analysis and introduces variability in the assurance of control effectiveness.</p> <p>Not all potential emergency situations (unwanted events) are recognized in the risk assessment, and changes are considered by the management of change (MOC) process but not consistently analyzed using the risk assessment methodology.</p>

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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.		The organization has a specific policy that will consider people with special characteristics into its operations.
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 organization considers implementation of hierarchy of controls in its processes, but this is inconsistently documented or incorporated into its improvement plans.
3.2.2.5.	In particular, the operating company shall demonstrate that it has developed procedures and implemented measures to: <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>c. Maintain the stability of the ground in areas to which persons have access in the context of their work;</li> <li>d. If relevant, whenever practicable provide two exits from every underground workplace, each connected to separate means of egress to the surface;</li> <li>e. If relevant, ensure adequate ventilation for all underground workings to which access is permitted;</li> <li>f. Ensure a safe system of work and the protection of workers in zones susceptible to particular hazards;</li> <li>g. Prevent, detect and combat accumulations of hazardous gases and dusts, and the start and spread of fires and explosions; and</li> <li>h. Ensure that when there is potential high risk of harm to workers, operations are stopped and workers are evacuated to a safe location.</li> </ul>		The organization has developed procedures and implemented measures to the points mentioned from sub-criteria (a) to (h), with the exemption of sub-criteria (d) and e, because the organization does not have any underground activities. However, the following issues were observed: <ul style="list-style-type: none"> <li>• Critical safety controls seem to be effective; however, gaps were observed in machine safety and communication systems.</li> <li>• “Stockpiles” were not technically assessed due to the perception of the inherent risk and legal requirements, such as maximum height.</li> </ul>
3.2.3.1.	Workers shall be informed of their rights to: <ul style="list-style-type: none"> <li>a. Report accidents, dangerous occurrences and hazards to the employer and to the competent authority;</li> <li>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;</li> <li>c. Know and be informed of workplace hazards that may affect their safety or health;</li> <li>d. Obtain information relevant to their safety or health, held by the employer or the competent authority;</li> <li>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</li> <li>f. Collectively select safety and health representatives.</li> </ul>		The organization has a well-documented process to communicate to its workers the right to inform accidents and be informed of accidents that occur in its operation. However, interviews with workers identified that not all workers were notified of some past incidents and accidents.
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.		A code of conduct includes several assurances of no reprisal to workers that communicate any type of concern at any level of the organization. However, during interviews with workers it was identified that




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		workers did not have complete confidence that this code of conduct had been effectively implemented.
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.	✓ The organization has well-established communication processes and procedures; however, it did not clearly define the concept of non-conformity or non-conforming control.
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: <ul style="list-style-type: none"> <li>a. Health and safety hazard identification and assessment;</li> <li>b. Design and implementation of workplace monitoring and worker health surveillance programs;</li> <li>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</li> <li>d. Development of appropriate assistance and programs to support worker health and safety, including worker mental health.</li> </ul>	✓ The organization has a process for worker consultation. This process is in alignment with regulations and requirements related to the implementation of the occupational health and safety management system including risk assessment, control implementation, and incident and accident evaluation. This includes mental health issues interpreted as part of their well-being program.
3.2.3.5.	The operating company shall provide workers' health and safety representatives with the opportunity to: <ul style="list-style-type: none"> <li>a. Participate in inspections and investigations conducted by the employer and by the competent authority at the workplace;</li> <li>b. Monitor and investigate safety and health matters;</li> <li>c. Have recourse to advisers and independent experts; and</li> <li>d. Receive timely notice of accidents and dangerous occurrences.</li> </ul>	● The organization has a well-established process that considers worker representatives during investigations of incidents in the organization. Chile has a well-established advanced legislation in this regard. However, during the site visit it was observed that the control effectiveness report issued was received and considered but no tangible mitigation actions were introduced to some hazards at the operational level. Also, access to external experts in case of accidents was not effectively communicated to workers nor to workers' representatives. Notice of dangerous occurrences (lack of controls) are not systematically notified across the organization.
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 organization has a well-established process for visitors requiring them to undergo a conversation around health and safety, including safety requirements. For new workers, the induction presentation includes legal requirements, safety considerations, and environmental considerations.
3.2.4.1.	<b>Critical (a and b)</b> The operating company shall implement measures to protect the safety and health of workers including: <ul style="list-style-type: none"> <li>a. Informing workers, in a comprehensible manner, of the hazards associated with their work, the health risks involved and relevant preventive and protective measures;</li> <li>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;</li> <li>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;</li> <li>d. Providing, at no cost to workers, training/education and retraining programs and comprehensible</li> </ul>	● As communicated to the audit team, all companies in Chile have the obligation to inform their workers (DS N°40/article 21) about the risks involved in their work, the preventive measures to be adopted and the correct work methods. In line with this requirement, all workers receive information according to their activities, depending on their function (see "Obligation to Inform"). In addition, each new worker is provided with personal protective equipment (PPE) and is given an induction (Induction HSS Hombre Nuevo). There are also annual training programs. Regarding emergencies or accidents, the organization has an emergency and contingency plan for the Salar Plant. The organization has implemented various monitoring methods to ensure the understanding and control of key hazards. From the site observations, those methods present variability in their effectiveness with opportunities around control effectiveness assurance at various organizational levels. This

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	<p>instructions on safety and health matters as well as on the work assigned;</p> <p>e. Providing adequate supervision and control on each shift; and</p> <p>f. If relevant, establishing a system to identify and track at any time the probable locations of all persons who are underground.</p>		<p>includes field supervisors that at times were not knowledgeable on the management system processes including risk assessment, control measures, and how to report gaps to those expected controls. When gaps are identified, actions seem to be symptomatic and not consistently addressing root causes. This could contribute to the increase in the operational risk profile of the organization if not addressed.</p> <p>For reactive measures, the organization provides proper field/site medical attention and transportation to higher complexity centers if it's needed.</p>
3.2.4.2.	<p>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 available to support the health and safety of those workers.</p>		<p>The organization is currently developing standards that consider workers with specific needs. Evidence shows that they are focusing on women's rights and maternity. The site's external health and safety provider, the Mutual de Seguridad, working within the site as per the regulatory requirement, has also considered specific requirements for people with different needs and conditions during onsite treatment.</p>
3.2.4.3.	<p>The operating company shall provide workers with clean toilet, 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.</p>		<p>Based on the evidence attached and the onsite sampling done, it seems that the organization is providing workers with sanitation and other needs. Audits provided show almost perfect compliance to requirements. A site visit to the camp showed some opportunities in design not considered such as generators close to the sleeping area without proper sound proofing.</p>
3.2.4.4.	<p>The operating company shall ensure that workers are provided with compensation for work-related injuries and illnesses as follows:</p> <p>a. In countries where workers' compensation is not provided through government schemes or a collective bargaining agreement:</p> <p>i. 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;</p> <p>ii. 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</p> <p>iii. [flag] 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.</p> <p>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</p> <p>c. Where a worker dies as a result of a work-related injury or disease, the operating company shall, at</p>		<p>Workers' agreement and legal requirements ensure that these provisions are being taken by organizations in Chile. Currently there is no finding.</p>



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	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 organization provided proof of work and representatives' execution of audits and legal documents describing its formation; however, some opportunities in the effectiveness of these inspections/audits are still present.
3.2.5.2.	<p>The operating company shall carry out workplace monitoring and worker health surveillance to measure exposures and evaluate the effectiveness of controls as follows:</p> <ol style="list-style-type: none"> <li>Workplace monitoring and worker health surveillance shall be designed and conducted by certified industrial hygienists or other competent professionals;</li> <li>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;</li> <li>Samples collected for workplace monitoring and health surveillance purposes shall be analyzed in an ISO/IEC 17025 certified or nationally accredited laboratory;</li> <li>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</li> <li>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.</li> </ol>		The organization has implemented a process for risk analysis. Monitoring is performed by the Mutual under the SUSESO (government entity). Reports are issued to the organization detailing potential exposures and compliance to plans. Actions implemented are monitored by a government entity (regional level). Workers are notified of exposure and control mechanisms.
3.2.5.3.	Controls, protective measures, health risk assessments, risk management plans, and training and educational materials shall be updated as necessary based on inspection and monitoring results.		<p>The organization has several processes to monitor risks and the effective implementation of controls. Some of those are:</p> <ul style="list-style-type: none"> <li>Superscan - Digital-based. Sends performance information to power BI.</li> <li>The permit audit is based on the verification of effective permit-based controls implementation.</li> </ul> <p>Gaps detected are risk ranked, and depending on the classification, corrective actions and /or further analyses are implemented. There is a communication forum (foco semanal) for the discussion of events; however, there is an opportunity to implement trend analysis for root causes and for the quality verification of root cases for serious incidents.</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.		The organization has implemented processes and documented procedures to manage incidents and accidents in accordance to legal another requirements. However, this process ensures correction but does not consistently ensure prevention through proper root cause analysis determination, preventive action implementation, and preventive action effectiveness verification.





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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.		The organization maintains accurate records of workplace monitoring and workers' health surveillance results and data related to occupational injuries, diseases, accidents, fatalities and dangerous occurrences collected by the organization and submitted to competent authorities. This information, except for data protected for medical confidentiality reasons, is available to workers' health and safety representatives. However, health and safety risk assessments have a complex methodology that makes accurate risk determination for specific hazards (not activities) difficult. Also, the hierarchy of controls is not consistently documented in the risk assessments.
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 organization had implemented, together with their "mutual," an information management process that ensures access to information.
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 organization has a process to ensure that workers can access their personal information regarding accidents, dangerous occurrences, inspections, investigations and remedial actions, health surveillance and medical examinations.

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3.3.1.1.	<b>Critical</b> 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 following sources of potential risks and impacts to community health and/or safety shall be considered: <ul style="list-style-type: none"> <li>a. General mining operations;</li> <li>b. Operation of mine-related equipment or vehicles on public roads;</li> <li>c. Operational accidents;</li> <li>d. Failure of structural elements such as tailings dams, impoundments, waste rock dumps (see also IRMA Chapter 4.1);</li> <li>e. Mining-related impacts on priority ecosystem services (see also IRMA Chapter 4.6);</li> <li>f. Mining-related effects on community demographics, including in-migration of mine workers and others;</li> <li>g. Mining-related impacts on availability of services;</li> <li>h. Hazardous materials and substances that may be released as a result of mining-related activities (see also IRMA Chapter 4.1); and</li> <li>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.</li> </ul>		Documents provided address environmental and operational risks, although the assessment of sub-criteria (f), (g), and (i) are not yet integrated into formal risk assessment processes. Rather, they were evaluated in a standalone assessment in May 2022 (Arcadias 2022), which drew, for some sub-criteria, on the 2009 EIA and other studies.
3.3.1.2.	Scoping shall include an examination of risks and impacts that may occur throughout the mine		Documents provided address environmental and operational risks across the mine life cycle (construction, operations, closure) and, in a separate


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	lifecycle (e.g., construction, operation, reclamation, mine closure and post-closure).		document, risks to community health and safety; however, not all community health and safety risks are assessed across the entire mine cycle.
3.3.1.3.	Scoping shall include consideration of the differential impacts of mining activities on vulnerable groups or susceptible members of affected communities.	✗	The organization provided a brief document explaining consultation processes with communities, but there is no evidence of a focus on determining potential differential impacts of mining on vulnerable peoples. The Sebastian Donoso report on indigenous peoples and engagement with the organization considers some aspects of vulnerability explicitly (representativeness of engagement structures and involvement in development programmes), but a systematic assessment of project impacts upon the health and safety of communities according to their level of vulnerability was not provided. The organization provides various risk matrices evaluating impacts of mining on communities, but there is no explicit consideration of differential impacts on vulnerable populations.
3.3.2.1.	The operating company shall carry out an assessment of risks and impacts to: <ul style="list-style-type: none"> <li>a. Predict the nature, magnitude, extent and duration of the potential risks and impacts identified during scoping;</li> <li>b. Evaluate the significance of each impact, to determine whether it is acceptable, requires mitigation, or is unacceptable.</li> </ul>	●	The organization evaluates some risks to communities (i.e., road accidents, spills, etc.) according to a methodology that predicts nature / magnitude, etc. and evaluates the significance of each impact, but does not evaluate the full range of social impacts indicated in 3.3.1.1 above according to this methodology. A supplemental assessment (Arcadis 2022) assesses community health and safety risks. This report concluded that there are no additional risks to the health and safety of the communities because of other social indicators, such as population influx, disease, etc. Given that these risks were scoped out, the organization did not apply the methodology of systematically quantifying the significance, consequence, mitigation measures, and residual risk of community health and safety risks.
3.3.3.1.	The operating company shall document and implement a community health and safety risk management plan that includes: <ul style="list-style-type: none"> <li>a. Actions to be taken to mitigate the significant risks and impacts identified during its risk and impact assessment; and</li> <li>b. Monitoring that will be conducted to ensure that measures to prevent or mitigate impacts remain effective.</li> </ul>	●	<p>The organization provided a management plan for environmental risks / impacts (Chapter 7 of the EIA, 2009), which addresses: 1) mitigation, reparation, and compensation for environmental impacts; 2) prevention of risks and accident control; and 3) contingency plan. The plan includes monitoring measures. The organization also provided a "Security Management System and Health in the Workplace" management manual - again, directed at employees, however, it reflects the low level of assessed risks to the communities.</p> <p>The organization evaluates some additional risks to communities (i.e., road accidents, spills, etc.) according to a methodology that outlines mitigation and monitoring measures, but it does not evaluate the full range of social impacts indicated in 3.3.1.1. However, a supplemental assessment (Arcadis 2022) assesses the full range of community health and safety risks. This report does not systematically outline mitigation and monitoring measures (nor did the organization have a management plan for these risks), as it concludes that risks are not present.</p> <p>Finally, the organization provides a "Risk Prevention Program" (2018) that outlines risk control measures for a number of risks to workers (including road</p>



## Chapter 3.3—Community Health and Safety

## Basis for Rating

		accidents). This document does not explicitly include the full range of risks to communities indicated in 3.3.1.1; however, the organization scoped these risks out in an independent assessment done in 2022 (Arcadis 2022).
3.3.3.2.	Mitigation measures shall prioritize the avoidance of risks and impacts over minimization and compensation.	 <p>The organization proposes some mitigation measures for community risks (i.e., road accidents, spills, etc.) through the various risk assessments provided, and a supplemental assessment (Arcadis 2022) assesses community health and safety risks, but it does not systematically outline mitigation and monitoring measures as it concludes that risks are not material / sufficiently present to warrant any further evaluation / action. Mitigation measures covered do prioritize avoidance over minimization / compensation. This assessment addresses most but not all risks to communities. There is no explicit community health and safety risk management plan as risks to the communities (beyond vehicular accidents and impacts on water, both included in the EIA and other management plans) were scoped out in an independent assessment (Arcadis 2022).</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>There is no community health and safety management plan.</p>
3.3.4.1.	<p>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> <ul style="list-style-type: none"> <li>a. In partnership with public health agencies, workers' organizations and 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;</li> <li>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</li> <li>c. Make information publicly available on its infectious disease mitigation program.</li> </ul>	<p>—</p> <p>The organization did not explicitly evaluate these risks to health; however, given the nature of these diseases and how they are spread (waterborne, through increased sexual contact because of increased prostitution and /or population influx), the organization implicitly addressed them through evaluating the impacts of water changes, population changes, etc., and determining low impacts.</p>
3.3.4.2.	<p>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:</p> <ul style="list-style-type: none"> <li>a. In relation to HIV/AIDS, the operating company shall, at minimum: <ul style="list-style-type: none"> <li>i. Provide free, voluntary and confidential HIV testing and counseling for all mine workers and employees;</li> <li>ii. Provide HIV/AIDS treatment for workers and employees where it cannot reasonably be assumed that this will be provided in an effective manner by public or private insurance schemes at an affordable rate;</li> </ul> </li> </ul>	<p>—</p> <p>The organization did not explicitly evaluate these risks to health; however, given the nature of these diseases and how they are spread (waterborne, through increased sexual contact because of increased prostitution and /or population influx), the organization implicitly addressed them through evaluating the impacts of water changes, population changes, etc., and determining low impacts.</p>

### Chapter 3.3—Community Health and Safety

### Basis for Rating

<ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>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.</li> <li>c. In relation to malaria, the operating company shall, at minimum:               <ul style="list-style-type: none"> <li>i. Develop a vector control plan;</li> <li>ii. Ensure that company facilities are not breeding environments for malaria-carrying mosquitoes; and</li> <li>iii. Provide protection from infection by malaria-carrying mosquitoes in company facilities and any company-provided housing.</li> </ul> </li> </ul>		
<p>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:</p> <ul style="list-style-type: none"> <li>a. Scoping of community health and safety risks and impacts related to mining;</li> <li>b. Assessment of significant community health and safety risks and impacts related to mining;</li> <li>c. Development of prevention or mitigation strategies;</li> <li>d. Collection of any data needed to inform the health risk and impact assessment process; and</li> <li>e. Design and implementation of community health and safety monitoring programs.</li> </ul>		<p>The organization provides evidence of consultations through the public participation process relating to project impacts in general, during which community health and safety concerns were not explicitly addressed by the project but could have been raised by communities (similar to ongoing engagement with communities via the Consejo de Pueblos Atacameños). However, the evaluation of the impacts to community health and safety specifically (Sebastian Donoso report) does not demonstrate consultations with communities pertaining to this assessment, or the subsequent development of any mitigation or monitoring measures.</p>
<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>The Sebastian Donoso report on community health and safety impacts is a very recent report. The organization has not provided evidence that this report is publicly available.</p>


### Chapter 3.4—Mining and Conflict-Affected or High-Risk Areas

### Basis for Rating

Chapter not assessed	—	IRMA is not scoring this chapter in 2022, but is collecting information to help inform future guidance on chapter implementation.
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### Chapter 3.5—Security Arrangements

### Basis for Rating

<p>3.5.1.1. The operating company shall adopt and make public a policy acknowledging a commitment to respect human rights in its efforts to maintain the safety and security of its mining project; and a</p>		<p>The organization has established a policy that is in the process of been published. This policy includes the statement indicated by the requirement. In addition, there is a</p>
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## Chapter 3.5—Security Arrangements

## Basis for Rating

	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.		questionnaire included as part of the due diligence process that applies to the security contractor that incorporates this statement as well. This due diligence process has been updated based on the new policy. The policy defines all the requirements the security provider must comply with; however, it does not state what happens if the provider (company) does not meet one of these requirements. Further, the policy has not yet been made public.
3.5.1.2.	<p><b>Critical</b> 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:</p> <ul style="list-style-type: none"> <li>a. Security personnel take all reasonable steps to exercise restraint and utilize non-violent means before resorting to the use of force;</li> <li>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</li> <li>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.</li> </ul>	✓	The new policy in section (Uso de Fuerza y Armas por Parte de Guardias y Vigilantes Privados) covers the provisions included in requirements "a." to "c." In addition, a sworn declaration is handed to all security providers where these specific requirements are covered. This new policy had already been implemented at the time of the assessment.
3.5.1.3.	<p>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"> <li>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;</li> <li>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</li> <li>c. Outlines required training for security personnel.</li> </ul>	⊕	The security provider's signed contract was reviewed, and it was noted that provisions included in requirements a (use of force and firearms) and c (specific training) have not been included in said contract. Miller & Chevallier conducted an HHRR risk assessment in December 2022, and because of this assessment, recommendations were issued in a write-up report. In the wake of the recommendations, an action plan was put together including the statement that Voluntary Principles on Security and Human Rights and the operating company's procedures on the use of force and firearms will be included in the contractor's signed contracts.
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.	—	As stated by the organization, there is no use of public forces for security purposes.
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, security arrangements, or in the operating environment.	●	The organization retained legal advisory services to conduct a human rights assessment considering security risks and others. This was the first assessment of its kind within the organization; however, it was reported that every 3 years this assessment will be updated or when there are significant changes in mining-related activities, and the deliverables will be communicated to the community. However, the latter has not been formally documented.

## Chapter 3.5—Security Arrangements

## Basis for Rating

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: <ul style="list-style-type: none"> <li>a. Follow a credible process/methodology;</li> <li>b. Be carried out and documented by competent professionals; and</li> <li>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.</li> </ul>		The organization retained legal advisory services to assess human rights risks and impacts, evaluate risks to people whose rights may be affected by the company's operations and business relationships in the Atacama Salar, and to generate proposals to improve the company's compliance program and related processes to address human rights risks considering gender, age and ethnic origin.
3.5.2.3.	The scope of the security risk assessment shall include, but need not be limited to: <ul style="list-style-type: none"> <li>a. Identification of security risks to the company, workers and communities, paying particular attention to risks to women, children and other vulnerable groups;</li> <li>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);</li> <li>c. Analysis of current and potential conflicts or violence in the host country and affected communities; and</li> <li>d. Risks associated with equipment transfers.</li> </ul>		The operating company has conducted a human rights risk assessment, which includes the company's security arrangements. Its content covers the provisions included in this requirement except d. (risks associated with equipment transfers).
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.		The risk assessment conducted by Miller & Chevalier has been completed and recommendations have been incorporated in an action plan.
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, 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.		Based on the Miller Human Rights Risk Assessment (Appendix B), recent strikes suggest moderate likelihood of security incidents. However, should these incidents occur, the risk assessment does not specifically indicate that the organization will collaborate with communities and/or workers to develop mitigation strategies that are culturally appropriate and that take into consideration the needs of women, children and other vulnerable groups.
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.		A due diligence process is implemented; however, it needs to be updated based on the new policy when the policy is formally published. Also, the security provider will have to go through the updated due diligence process to determine if it complies with the new policy, which includes preventing the hiring of company security personnel and private security providers who have been convicted of and/or credibly implicated in the infringement of human rights.
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.		The previous statement from the organization provides assurance that they are not using public security forces.
3.5.4.1.	Prior to deployment of company or private security personnel, the operating company shall provide training that incorporates, at minimum, information		The new policy states the need for contractors to provide their personnel with training that meet provisions included in this requirement

## Chapter 3.5—Security Arrangements

## Basis for Rating

	related to ethical conduct and respect for the human rights of mine workers 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.		such as respect of human rights, except that it does not specify the right of affected communities, with particular reference to vulnerable groups. Reportedly the organization claims there have not been any conflicts with the affected communities up to date. It was noted that because the HHRR risk assessment, the action plan and policy are new, the security provider is still in the process of learning and building capacities. For example, when interviewed, a supervisor (in charge of training sessions) did not know what the Albemarle policy was, and it was reported that the latter was due to the process of adapting to the new policy the security provider is still in.
			The policy was in the process of implementation with various degrees of effectiveness
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.	—	The previous statement from the organization provides assurance that they are not using public security forces.
3.5.5.1.	The operating company shall: <ul style="list-style-type: none"> <li>a. Develop and implement systems for documenting and investigating security incidents, including those involving impacts on human rights or the use of force;</li> <li>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 force and firearms, human rights, and other relevant policies;</li> <li>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;</li> <li>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;</li> <li>e. Provide medical assistance to all injured persons, including offenders; and</li> <li>f. Ensure the safety of victims and those filing security-related allegations.</li> </ul>	●	It was noted that provisions included in requirements b - d are included in the new policy; except for "a." Since there is not a system for documenting investigated security incidents, incident investigations are stored in the company's risk prevention personnel emails.
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.	●	Security incidents are investigated by the joint safety committee that is made up by both company and employee members. Members of the committee including those that are employees issue recommendations and make sure these recommendations are incorporated into the preventive measures to be implemented to avoid recurrence. However, if an incident were to occur with the community, there is no formal indication that



## Chapter 3.5—Security Arrangements

## Basis for Rating

		results of the incident investigations will be shared with the community.
3.5.6.1.	If requested by a representative community structure, the operating company shall offer a briefing for community stakeholders on the company's procedures on the use of force and firearms.	 The company's communicated procedure is that the use of firearms is not permitted for private security contractors, but this information can be made available upon request.
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.	 The organization has only consulted stakeholders (private third-party entities retained by the organization) such as the external legal entities (Moreno & Saez asesores and Miller). However, no communities or regulators have been consulted. Reportedly, the organization has never had a security incident with the community.
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.	 Evidence shows that there are multiple communication channels with communities that will satisfy this IRMA requirement.
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.	 The previous statement from the organization provides assurance that they are not using public security forces.

## Chapter 3.6—Artisanal and Small-Scale Mining

## Basis for Rating

Chapter Not Relevant		
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## 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 organization, through the specialists of the Community Relations and Corporate Responsibility Sub-Management, defined and will execute the Cultural Heritage Management Plan 2021_2022 and will ensure compliance with the Community Relations and Cultural Heritage Instructions. Professionals in cultural heritage are linked to the EIA modification phase.  The organization is strengthening the work team of the Community Relations and Corporate Responsibility Sub-management for the execution of the plans, including the cultural heritage plan.
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 organization has a Cultural Heritage Risk Assessment and Minimization Procedure and a Cultural Heritage Management Plan. While there is evidence of a request to address the issue with the Peine community and with representation from the other 17 communities (CPAs), there is no evidence that these and all relevant stakeholders have been consulted.






## Chapter 3.7—Cultural Heritage

## Basis for Rating

		ACTA MTP diciembre 2021_ Tabla.pdf refers to the request to address in 5 minutes "proposal to work jointly on heritage issues." This does not correspond to a consultation process with relevant stakeholders.
3.7.1.3.	Cultural heritage assessments, management plans and procedures shall be made available upon request to community stakeholders and other stakeholders who have been engaged with the mine site on cultural heritage issues.	 The organization presented the results of the cultural heritage assessments (2016, 2019) at workshops. There are no lists of participants in workshops. The organization is in the process of making the Cultural Heritage Risk Assessment and Minimization Procedure and Cultural Heritage Management Plan available to relevant stakeholders.
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.	 The Archeology Report 2016 recommends that the project design be modified so that access roads remain at least 10 m from the identified cultural heritage sites. (There is no evidence given pertaining to implementation of this recommendation). Annex 5.6 Historical-Cultural Archeological Heritage indicates that the 2007 and 2008 cultural heritage identification campaigns did not show the presence of archaeological remains. The organization provided evidence of a Gantt chart to define the methodology for risk identification, assessment, and mitigation, and to socialize the results with the relevant stakeholders in the future.
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.	 Cultural heritage was not classified as critical, replicable or non-replicable in 2016. It was agreed that the organization would deliver two reports (executed by an archaeologist) before drilling in the Tilocalar area (Peine) (Environmental Qualification Resolution No. 21/2016 - 2.1.-Archeology component measures).  The organization has not yet assessed the nature and magnitude of the potential impacts to replicable, non-replicable, or critical cultural heritage. It is not possible to determine whether the proposal contained in the Cultural Heritage Management Plan is proportional to the potential impacts. The organization has a Gantt chart to define, in the near future, the methodology for risk identification and assessment, define the minimization plan and socialize the results with the relevant stakeholders. The mining project is in an area traditionally occupied and used by indigenous peoples.
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 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	 The organization defined a Gantt chart to establish and implement the methodology for the identification of risks to cultural heritage and then define and/or adjust the measures accordingly. This is still in process, so the mitigation measures have not yet been fully defined, particularly about the intangible cultural heritage of indigenous peoples.


## Chapter 3.7—Cultural Heritage

## Basis for Rating

<p>restoring any ecosystem processes needed to support it;</p> <p>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;</p> <p>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</p> <p>d. Where affected communities are using the tangible cultural heritage for long-standing cultural purposes compensate for loss of that tangible cultural heritage.</p>		<p>For the indigenous population, the Salar de Atacama has a high cultural, social and even survival relevance, mainly associated with the landscape and water management. These issues have not been evaluated throughout the life cycle of the mining project.</p>
<p>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.</p>		<p>The participation of professionals in the evaluation stage is evident. The organization indicated that there is an agreement with the Universidad de Antofagasta for the management of cultural heritage; however, no details were provided.</p> <p>The organization indicates that the mitigation measures will be the responsibility of the community relations and corporate responsibility department. However, these measures have not yet been implemented or documented. In the absence of a cultural heritage risk analysis, it is not possible to determine whether they will be carried out in accordance with internationally recognized best practices.</p>
<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> <p>a. The overall benefits of the mining project conclusively outweigh the anticipated cultural heritage loss from removal; and</p> <p>b. Any removal of cultural heritage is conducted using the best available technique.</p>		<p>The 2016 Albemarle archeology report doesn't identify whether it is tangible non-reproducible cultural heritage; this raises recommendations for approaching cultural heritage (alternative change access tracing). The organization presented a report (dated May 2022) on how the recommendations made by the Anthropologist in 2016 for cultural heritage management are currently being addressed. Some of the actions have been generated recently (May 2022). No documentation is evidenced that identifies the timeliness of cultural heritage management with respect to project interventions, with a focus on avoiding or preventing impacts on cultural heritage.</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>The participation of professionals in the evaluation stage is evident. The organization indicated that there is an agreement with the Universidad de Antofagasta for the management of cultural heritage. The organization indicates that responsibility for executing the Cultural Heritage Management Plan lies with Community Relations and Corporate Responsibility Sub-Management.</p> <p>The organization presented the Cultural Heritage Management Plan. While evidence provided includes mitigation measures, there is no evidence that mitigation work will be carried out by competent professionals using best practice techniques.</p>

## Chapter 3.7—Cultural Heritage

## Basis for Rating

<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"> <li>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</li> <li>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).</li> </ul>		<p>The organization did not provide information to demonstrate whether critical cultural heritage has been identified or is impacted by the operations.</p> <p>The organization provided a report (dated May 2022) on how the recommendations made by the Anthropologist in 2016 for cultural heritage management are being addressed. Some of the actions have been generated recently (May 2022). The organization indicates that actions are underway with the Peine community, which are in the process of being documented.</p>
<p>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:</p> <ul style="list-style-type: none"> <li>a. Comply with the requirement 3.7.5.1;</li> <li>b. Comply with the protected area's management plan;</li> <li>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</li> <li>d. Implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.</li> </ul>	<p>—</p>	<p>Not relevant as this is not a new mine.</p>
<p>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).</p> <ul style="list-style-type: none"> <li>• World Heritage Sites, and areas on a State Party's official Tentative List for World Heritage Site Inscription;</li> <li>• International Union for Conservation of Nature (IUCN) protected area management categories I-III;</li> <li>• Core areas of UNESCO biosphere reserves.</li> </ul>	<p>—</p>	<p>Not relevant as this is not a new mine.</p>
<p>3.7.5.4. An existing mine located entirely or partially in a protected area listed in 3.7.5.3 shall demonstrate that:</p> <ul style="list-style-type: none"> <li>a. The mine was developed prior to the area's official designation;</li> <li>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</li> <li>c. The operating company collaborates with relevant management authorities to integrate the mine's management strategies into the protected area's management plan.</li> </ul>	<p>—</p>	<p>Not relevant as the mine is not located partially or completely in a protected area.</p>
<p>3.7.5.5. To safeguard irreplaceable cultural heritage and respect indigenous peoples' right to self-determination, the operating company shall not</p>	<p>—</p>	<p>No information was provided by the site or otherwise identified to indicate that the area where the mine is located is inhabited by</p>

## Chapter 3.7—Cultural Heritage

## Basis for Rating

	carry out new exploration or develop new mines in areas where indigenous peoples are known to live in voluntary isolation.		indigenous peoples living in voluntary isolation.
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.	—	The organization does not propose to use the intangible cultural heritage of indigenous peoples for commercial purposes.
3.7.6.2.	The operating company shall not proceed with such commercialization unless it: <ul style="list-style-type: none"> <li>a. Collaborates with affected communities using a good faith negotiation process that results in a documented outcome; and</li> <li>b. Provides for fair and equitable sharing of benefits from commercialization of such knowledge, innovation, or practice, consistent with local customs and traditions.</li> </ul>	—	The organization does not propose to use the intangible cultural heritage of indigenous peoples for commercial purposes.
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.	—	The organization does not propose to use the intangible cultural heritage of indigenous peoples for commercial purposes.
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.	✓	The organization has a cultural heritage management plan that outlines the actions and mitigation measures it is implementing to protect cultural heritage. The organization defined a Gantt chart to establish and implement the methodology to identify risks to cultural heritage and then define and/or adjust the measures accordingly.
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: <ul style="list-style-type: none"> <li>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;</li> <li>b. Managing potential impacts to</li> <li>c. Allowing continued access to cultural sites, subject to consultations with affected communities and overriding health, safety, and security considerations; and</li> <li>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.</li> </ul>	●	<p>The organization complies with letters a) and b) in terms of: The organization has a protocol for managing chance finds that includes, at a minimum, a requirement that employees or contractors do not disturb any chance finds until an assessment is made by competent professionals and actions are developed consistent with the requirements of this chapter. The organization has procedures in place to prevent potential impacts of contractors and visitors on cultural heritage.</p> <p>Communities have expressed interest in accessing the areas of the Salar occupied by the mine, but have not received a response. There is still no interaction with all indigenous peoples to sufficiently address the identification and analysis of risks and impacts on indigenous peoples' cultural heritage, nor mechanisms to ensure the exchange of information related to cultural heritage. This does not correspond to c) and d).</p>
3.7.7.3.	The operating company shall ensure that relevant employees receive training with respect to cultural awareness, cultural heritage site recognition and	✓	The organization conducts training, pending to verify recognition and care of assets by workers and procedures.

care, and company procedures for cultural heritage management.



## Principle 4: Environmental Responsibility

### RATING LEGEND

Description of performance

	Fully meets
	Substantially meets
	Partially meets
	Does not meet
	Not relevant

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 organization has implemented the policy "Politica de Residuos Mineros Planta Salar" for managing waste materials and mine waste facilities, which include ponds, tanks or other facilities containing brines, salts, residues or process solutions from which minerals are or have been extracted.
4.1.1.2.	The operating company shall demonstrate its commitment to the effective implementation of the policy by, at minimum: <ul style="list-style-type: none"> <li>a. Having the policy approved by senior management and endorsed at the Director/Governance level of the company;</li> <li>b. 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;</li> <li>c. Having procedures and/or protocols in place to implement the policy; and</li> <li>d. Allocating a sufficient budget to enable the effective implementation of the policy.</li> </ul>	The implemented policy has been approved by the Lithium Chile operations director, and mail was sent to all employees and was communicated through the organization's official website. Among procedures in place to implement the policy are SOPs, monitoring programs, inspections, and the Operating Maintenance and Surveillance Manual (OMS). Finally, based on interviews with roles responsible for implementing the policy, sufficient budget has been allocated to implement the policy.
4.1.2.1.	The operating company shall: <ul style="list-style-type: none"> <li>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</li> <li>b. Document and implement procedures for the safe transport, handling, storage and disposal of those materials, substances and wastes.</li> </ul>	The organization has identified all materials, substances, and wastes (mine and other than mine wastes) associated with the mining operation that pose a potential hazard to health, safety or the environment, and the company has documented and implemented procedures for the safe transport, handling, storage and disposal of the materials.
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.	Evidence provided indicates that the organization has procedures in place for both the identification and handling of domestic and industrial materials and wastes, as well as documents showing those materials and wastes are transported and handled according to the mine procedures.
4.1.3.2.	The operating company shall perform a detailed characterization for each mine waste facility that has associated chemical risks. Characterization shall include: <ul style="list-style-type: none"> <li>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);</li> </ul>	Evidence provided indicates that most of the requirements of this criteria have been met, including the identification and characterization of mine waste facilities, and a comprehensive water balance. However, this balance only includes inputs but not all outputs (evaporation, car wash effluents and a





## Chapter 4.1—Waste and Materials Management

## Basis for Rating

<ul style="list-style-type: none"> <li>b. Source material characterization using industry best practice to determine potential for acid rock drainage (ARD) or metals leaching (ML). This shall include:               <ul style="list-style-type: none"> <li>i. Analysis of petrology, mineralogy, and mineralization;</li> <li>ii. Identification of geochemical test units;</li> <li>iii. Estimation of an appropriate number of samples for each geochemical test unit; and</li> <li>iv. Performance of comprehensive geochemical testing on all samples from each geochemical test unit.</li> </ul> </li> <li>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;</li> <li>d. Water balance and chemistry mass balance models for each facility; and</li> <li>e. Identification of contaminants of concern for the facility/source materials, and the potential resources at risk from those contaminants.</li> </ul>		<p>water treatment plant). Additionally, the operating company indicates that historical operations include a recycling yard and an ancient landfill. In one of them signs of impact (hydrocarbons) was seen; however, so far no characterization of the soil has been conducted.</p>
<p>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:</p> <ul style="list-style-type: none"> <li>a. Detailed engineering reports, including site investigations, seepage and stability analyses;</li> <li>b. Independent technical review (See criteria 4.1.6)</li> <li>c. Facility classification based on risk level or consequence of a failure, and size of the structure/impoundment;</li> <li>d. Descriptions of facility design criteria;</li> <li>e. Design report(s);</li> <li>f. Short-term and long-term placement plans and schedule for tailings and waste rock or other facilities subject to stability concerns;</li> <li>g. Master tailings placement plan (based on life of mine);</li> <li>h. Internal and external inspection reports and audits, including, if applicable, an annual dam safety inspection report;</li> <li>i. Facility water balances (See also 4.1.3.2.d); and</li> <li>j. Dam breach inundation (if applicable) and waste rock dump runoff analyses.</li> </ul>	<p>—</p>	<p>Evidence provided shows that the only waste facilities where the risk potential exists are the non-mine waste facilities. However, they are not catastrophic with respect to failure resulting in impacts on human health, safety or the environment.</p>
<p>4.1.3.4. Facility characterizations shall be updated periodically to inform waste management and reclamation decisions throughout the mine life cycle.</p>	<p>✓</p>	<p>Evidence provided indicates that the most recent update on the mine waste potash sludge and brine characterization was in 2018; no changes have occurred since. It was noted that waste facilities and types have not changed. Waste geochemistry has not changed either, and therefore the characterization conducted has not been updated.</p>
<p>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.</p>	<p>✓</p>	<p>The organization has conducted characterization on all their potentially hazardous wastes.</p>

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

<p>4.1.4.1. <b>Critical</b> A risk-based approach to mine waste assessment and management shall be implemented that includes:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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</li> <li>d. Documented risk assessment reports, updated when risks assessments are revised (as per 4.1.4.1.c).</li> </ul>		<p>Evidence provided indicates that a rigorous risk assessment on the mine waste facilities has been included in the most recent version of the closure plan and of the ESIA; however, a risk assessment associated with the domestic water treatment plant or the hazardous waste storage area could not be found.</p>
<p>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 management practices. The assessment shall:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. Identify possible alternatives for siting and managing mine wastes, avoiding a priori judgements about the alternatives;</li> <li>c. Carry out a screening or "fatal flaw" analysis to eliminate alternatives that fail to meet minimum specifications;</li> <li>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;</li> <li>e. Include a sensitivity analysis to reduce potential that biases will influence the selection of final site locations and waste management practices; and</li> <li>f. Be repeated, as necessary, throughout the mine life cycle (e.g., if there is a mine expansion or a lease extension that will affect mine waste management).</li> </ul>		<p>Evidence provided indicates that the organization conducted an alternative assessment to decide on mine waste facility siting, and selection of waste management practices was based on the type of wastes the operation generates, and the geo-technical and geochemical characterization of the mine waste. Further, the waste generated in the mine is not hazardous, as indicated by an independent laboratory and submitted to the health authority, and pile locations have been determined based on distance to the ponds, obstructions of extraction wells, and interference with internal roads.</p>
<p>4.1.5.1. <b>Critical</b> Mine waste facility design and mitigation of identified risks shall be consistent with best available technologies (BAT) and best available/applicable practices (BAP).</p>		<p>Available evidence shows that the organization used widely available methods or guidance to determine the appropriate level of risk for the design of each waste facility, and the best approach to mitigating the identified risks.</p>
<p>4.1.5.2. Mitigation of chemical risks related to mine waste facilities shall align with the mitigation hierarchy as follows:</p> <ul style="list-style-type: none"> <li>a. Priority shall be given to source control measures to prevent generation of contaminants;</li> <li>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</li> <li>c. If necessary, MIW shall be captured and treated to remove contaminants before water is returned to the environment or used for other purposes.</li> </ul>		<p>The Waste Management Plan indicates that the organization will implement a waste reduction strategy and plans. It was observed that the organization is implementing a waste reduction plan including initiatives such as recycling plastics, maxi bags and HDPE liners used underneath the ponds, and composting organic wastes. Additionally, the organization is looking for options to commercialize byproducts such as salt precipitates. The only water returned to the environment is that which comes from the water treatment plant used for dust controls on the roads. Monitoring of this water is conducted to</p>



## Chapter 4.1—Waste and Materials Management

## Basis for Rating

		confirm it complies with water quality standards for irrigation.
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.	— The rationale indicates that there are no high-consequence rated mine waste facilities operated by the organization.
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.	✓ Evidence provided (geochemical, hydrogeological, hydrological, and geotechnical studies) indicates that the organization has involved both interdisciplinary and interdepartmental personnel in developing mine waste management strategies.
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: <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>d. Documentation of facility-specific performance measures as indicators of effectiveness of mine waste management actions; and</li> <li>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.</li> </ul>	<p>✓ The operating company has identified two types of waste:</p> <ul style="list-style-type: none"> <li>• Waste directly generated by the process (non-hazardous) such as byproduct stockpiles</li> <li>• Waste indirectly generated by the process (domestic and hazardous)</li> </ul> <p>The OMS manual is in place and establishes provisions for the management of stockpiles. The Site Waste Management Plan, which includes management of hazardous waste, is in place and establishes provisions for the management of domestic and hazardous wastes.</p> <p>Both document contents above meet provision (a –e) of this requirement.</p>
4.1.5.6.	<b>Critical</b> On a regular basis, the operating company shall evaluate the performance of mine waste facilities to: <ul style="list-style-type: none"> <li>a. Assess whether performance objectives are being met (see 4.1.4.2.a and 4.1.5.5);</li> <li>b. Assess the effectiveness of risk management measures, including critical controls (see 4.1.5.3);</li> <li>c. Inform updates to the risk management process (see 4.1.4.1.c) and the OMS (see 4.1.5.7); and</li> <li>d. Inform the management review to facilitate continual improvement (see 4.1.5.8).</li> </ul>	⚫ Evidence provided shows that the organization conducts internal inspections and external audits on the mine components such as the stockpiles. Anomalies identified are included in an action plan where their correction is monitored. However, performance objectives have not been set yet.
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	✓ Evidence provided indicates that the OMS was reviewed in June 2021.

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

	and safety, and prevents or otherwise minimizes harm to the environment and communities.		
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: <ul style="list-style-type: none"> <li>a. Align with the steps outlined in the Mining Association of Canada's Tailings Management Protocol or a similar framework; and</li> <li>b. Be documented, and the results reported to an accountable executive officer.</li> </ul>	—	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. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities identified in 4.1.3.3.
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.	—	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. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities 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.	—	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. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities identified in 4.1.3.3.
4.1.6.3.	Independent reviewers shall be objective, third-party, competent professionals.	—	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. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities 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 operating company or its corporate owner.	—	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. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

		other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities identified in 4.1.3.3.
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.	— 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. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities 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.	✓ A public participation process is undertaken as part of the ESIA process for any expansion/construction of a waste facility. The site has the relevant stakeholder engagements documents in place as part of the EIA process.
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 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).	✓ Although this requirement cannot be rated as "not relevant," the rationale indicates that there are no mine waste facilities associated with catastrophic failure. Further, the most recent version of the closure plan indicates that none of the consequence severity indices are considered catastrophic. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities identified in 4.1.3.3.
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).	✓ Although this requirement cannot be rated as "not relevant", the rationale indicates that there are no mine waste facilities associated with catastrophic failure. Further, the most recent version of the closure plan indicates that none of the consequence severity indices are considered catastrophic. As per IRMA Guidance for application of Chapter 4.1 to brine extraction operations, "for brine and other process solution facilities, this requirement is not relevant unless a credible risk to human health, safety, the environment or communities has been identified as per 4.1.3.3." There were no such facilities identified in 4.1.3.3.
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.	✓ Evidence provided indicates that the authority has conducted inspections at the project site and the organization has reported and handed in information requested.

## Chapter 4.1—Waste and Materials Management

## Basis for Rating

4.1.8.1.	<b>Critical</b> At the present time, mine sites using riverine, submarine and lake disposal of mine waste materials will not be certified by IRMA.	☑	The organization does not make use of riverine, submarine and lake as disposal of mine waste materials.
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## Chapter 4.2—Water Management

## Basis for Rating

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.	☑	Evidence provided contained a comprehensive identification of freshwater users at Salar de Atacama. Water users were identified since the baseline conditions, and the competent authority manages water rights with publicly disclosed information.
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.	☑	Evidence provided contained a comprehensive identification of freshwater current and future users at Salar de Atacama, in participation with the Chilean Water Bureau (DGA: Dirección General de Aguas) and other international aid organizations.
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 organization actively participates in water-related stewardship initiatives at a basin scale to face challenges posed by activities and water users. However, the Peine community still faces water supply challenges where the organization could also actively participate.
4.2.2.1.	The operating company shall gather baseline or background data to reliably determine: <ul style="list-style-type: none"> <li>a. The seasonal and temporal variability in: <ul style="list-style-type: none"> <li>i. The physical, chemical and biological conditions of surface waters, natural seeps/springs and groundwater that may be affected by the mining project;</li> <li>ii. Water quantity (i.e., flows and levels of surface waters, natural seeps/springs and groundwater) that may be affected by the mining project; and</li> </ul> </li> <li>b. Sources of contamination and changes in water quantity or quality that are unrelated to the mining project.</li> </ul>	☑	The organization has collected baseline information since 2009, but not from the beginning of exploitation. Moreover, background and additional baseline information was collected over the years, which demonstrates the intent to comply with the requirement.
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: <ul style="list-style-type: none"> <li>a. The mining-related chemicals, wastes, facilities and activities that may pose a risk to water quality; and</li> <li>b. The mine's use of water, and any mining activities that may affect water quantity.</li> </ul>	☑	Evidence provided showed the organization understands the nature and extent of the water-related impacts, and those impacts were communicated to the stakeholders. No significant impacts to the groundwater quantity and quality were determined during the assessment process.
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: <ul style="list-style-type: none"> <li>a. Development of a conceptual site model (CSM) to estimate the potential for mine-related contamination to affect water resources;</li> <li>b. Development of a numeric mine site water balance model to predict impacts that might occur at different surface water flow/groundwater</li> </ul>	☑	Although the understanding of the organization is that it may not cause significant impacts on water quantity or quality, conceptual and numerical models were developed to understand the effects of the organization on the water resources locally and regionally. Also, the organization maintains a water balance and treats domestic water from the campsite.

## Chapter 4.2—Water Management

## Basis for Rating

	<p>level conditions (e.g., low, average and high flows/levels);</p> <p>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</p> <p>d. Prediction of whether water treatment will be required to mitigate impacts on water quality during operations and mine closure/post-closure.</p>		
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.	✓	Documents provided included hydrogeological reports, updated regularly, and compliance with the local Chilean regulatory requirements and mining industry standard. The organization has developed hydrogeological models that are updated regularly by a local consultant expert. Models are also calibrated using long-term precipitation and hydrological time series. Mine personnel are aware of the model assumption and input parameters, and adequate resources and staff are allocated to improve the understanding of the local conditions.
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.	⊕	Evidence sampled and reviewed by the audit team shows that the organization informs the Chilean Environmental Authority on any decrease in groundwater levels, which is required by the early warning system established in the approved ESIA. Evidence includes a letter reporting voluntary reductions in groundwater pumping due to reported decreases in 2021. Although no impacts on freshwater levels are expected, the perception of impacts on aquifers amongst nearby stakeholders remains, suggesting that collaboration with stakeholders on water quality-related issues is limited.
4.2.3.2.	<p>If a surface water or groundwater mixing zone is proposed as a mitigation strategy:</p> <p>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</p> <p>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:</p> <p>i. Surface water or groundwater mixing zones are as small as practicable;</p> <p>ii. Water in a surface water mixing zone is not lethal to aquatic life;</p> <p>iii. A surface water mixing zone does not interfere with the passage of migratory fish;</p> <p>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</p>	—	Not relevant as there was no evidence of discharge to surface or ground waters.






## Chapter 4.2—Water Management

## Basis for Rating

	<p>this substitution is agreed to by all potentially affected water users; and</p> <p>v. Point source discharges into a surface water mixing zone match the local hydrograph for surface water flows to the extent practicable.</p>		
4.2.3.3.	<p>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 operating company shall demonstrate that contaminants measured at points of compliance are:</p> <ol style="list-style-type: none"> <li>Being maintained at baseline or background levels; or</li> <li>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).</li> </ol>	—	Not relevant as there was no evidence of discharge to surface or ground waters.
4.2.3.4.	<p>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).</p>	🚫	Evidence showed no impact on surface or groundwater resources that adversely affect the quantity of water. Although no impacts on freshwater levels are expected by the mine, the perception of impacts on aquifers amongst nearby stakeholder's remains, suggesting that collaboration with stakeholders on water quality related issues is limited.
4.2.4.1.	<p><b>Critical (a through e)</b> 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> <ol style="list-style-type: none"> <li>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);</li> <li>Sample on a frequent enough basis to account for seasonal fluctuations, storm events and extreme events that may cause changes in water characteristics;</li> <li>Establish trigger levels and/or other indicators to provide early warning of negative changes in water characteristics;</li> <li>Sample the quality and record the quantity of mine-affected waters destined for re-use by non-mining entities;</li> <li>Use credible methods and appropriate equipment to reliably detect changes in water characteristics; and</li> <li>Use accredited laboratories capable of detecting contaminants at levels below the values in the IRMA Water Quality Criteria by End-Use Tables.</li> </ol>	✅	The organization has implemented a monitoring network to understand the nature of the aquifer underneath the Salar de Atacama and detect potential changes that may affect the surroundings. Also, water numerical models are updated regularly to refine predictions and guide potential optimization of the monitoring network. Although the organization may not cause significant impacts on water quantity or quality, it accounts for a robust ground level and water quality monitoring network that allows detecting any variation to the baseline conditions. Furthermore, the laboratories used are certified by the Chilean government, and the sampling technicians interviewed are competent and understand their role and procedures. The site uses accredited procedures by official certification entities and detection levels 10 times less than the IRMA Water Quality Criteria by End-Users tables.
4.2.4.2.	<p>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</p>	✅	Sampling parameters fit the identified mine geology and mine processes conducted at the site. The organization monitors water quality parameters adequate to their operations.

## Chapter 4.2—Water Management



## Basis for Rating

	approach used in 4.2.3.3), those parameters need not be measured on a regular basis.		
4.2.4.3.	<p>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> <ul style="list-style-type: none"> <li>a. Participation may involve the use of independent experts selected by the community; and</li> <li>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.</li> </ul>		The organization allows local stakeholders to participate in the water monitoring and consults independent experts. The organization is also supporting the Peine community to become a certified entity to act as an independent third party to review and conduct the monitoring efforts. The IRMA requirement indicates that the independent review must have occurred; the organization is just recently fostering this participation.
4.2.4.4.	<p><b>Critical</b> The operating company shall develop and implement an adaptive management plan for water that:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>		The organization has an early warning plan that acts as an adaptive management plan to track groundwater levels. It includes mitigation measures and alarm levels that may trigger diminishing pumping rates. The site has implemented a monitoring network to understand the nature of the aquifer underneath the Salar de Atacama and detect potential changes that may affect the surroundings. Also, water numerical models are updated regularly to refine predictions and guide potential optimization of the monitoring network. The site is required to comply with an early warning plan jointly with other operators at Salar de Atacama. Such plan was designed as an adaptive management plan for the basin.
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.		Documents provided included a technical assessment of the brine drawdown reduction measure, including reviewing and revising the mitigation measures. Given the last reduction on groundwater wells in June 2021, it is expected that the technical assessment report will be delivered within 12 months.
4.2.4.6.	Community stakeholders shall be provided with the opportunity to review adaptive management plans and participate in revising the plans.		The early warning plan system results and assessment are publicly available on the webpage of the environmental authority. There was also evidence that local communities are informed of the early warning system activation and/or the organization responds to the inquiries around it. However, the organization could improve the community stakeholder participation on those adaptive management plans.
4.2.5.1.	<p>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:</p> <ul style="list-style-type: none"> <li>a. Monitoring data for surface water and groundwater points of compliance; and</li> <li>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.</li> </ul>		Both baseline and monitoring water-related information is publicly available on both the organization's and governmental agency's websites.





## Chapter 4.2—Water Management

## Basis for Rating

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 organization communicates with the authorities when groundwater levels activate an alert level 2, which is the only water-related risk expected during within the organization. However, the Peine community does not seem aware of the activation of the early warning system.
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.		The organization is participating in basin scale initiatives promoted by the Chilean Water Bureau and an international agency around water management at Salar de Atacama.

## 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 organization has developed an inventory and performed a modeling of emissions of equipment and transportation that might generate air emissions; however, the calcinator used to dry potash has not been included in this inventory. The calcinator was used in other modeling in the past (2016) and showed that the impacts in Peine are measurable but below requirements at that point in time. In addition, SO <sub>2</sub> has not been included as a contaminant of interest in this inventory because it does not have legal requirements. Fuel quality is being investigated to understand the relevance of this emission in the context where the organization operates and its human and natural receptors.
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.		Evidence provided indicated that the operating company has not established a baseline for air quality. The general baseline included in the 2009 Environmental Impact Assessment approved by Resolution 21/2016 indicates that a baseline for air quality was not necessary because there are no relevant emitting sources in the area and the impact on the nearest community (Peine) was not significant in terms of air emissions. However, the assessment to determine whether air emissions represent a significant aspect have not been provided; therefore, it cannot be determined whether the aspect is not significant. Evidence provided indicates that the organization has recently (August 2022) performed an air quality study (Atmospheric Dispersion Model, PM 10 & PM2.5). An outcome of the assessment was that the impact of PM distribution was not significant. This is in line with the general baseline included in the 2009 Environmental Impact Assessment approved by Resolution 21/2016 indicating that a baseline for air quality was not necessary because there were no relevant emitting sources in the area and the impact on the nearest community (Peine) was not significant in terms of air emissions. It is



## Chapter 4.3—Air Quality

## Basis for Rating

		<p>noted that calcinatory sporadic activity data was not included. From the 2016 study performed, the load generated by the activity reaches 44% of the PM limit at Peine.</p> <p>With respect to other emission sources, the organization has improved the source inventory. However, the calcinatory was not included. Due to the before-mentioned motive, SOx has not been calculated or analyzed.</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>● Evidence provided indicated that the organization has recently (August 2022) performed an air quality study (Atmospheric Dispersion Model, PM 10 &amp; PM2.5). An outcome of the assessment was that the impact of PM distribution was not significant. This is in line with the general baseline included in the 2009 Environmental Impact Assessment approved by Resolution 21/2016 indicating that a baseline for air quality was not necessary because there were no relevant emitting sources in the area and the impact on the nearest community (Peine) was not significant in terms of air emissions. It is noted that calcinatory sporadic activity data was not included. From the 2016 study performed, the load generated by the activity reaches 44% of the PM limit at Peine.</p> <p>With respect to other emission sources, the organization has improved the source inventory. However, the calcinatory was not included. Due to the before-mentioned motive, SOx has not been calculated or analyzed.</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 dispersion of mining-related air contaminants.	<p>☑ The operating company conducted a dispersion model of particulate matter and sulfur dioxide of only the potash drying plant in 2013, and this assessment was consistent with widely accepted and documented methodologies. Its conclusion at the time was that this project would not generate negative significant impacts.</p>
4.3.2.1.	<b>Critical</b> If significant potential impacts on air quality are identified, the operating company shall develop, maintain and implement an air quality management plan that documents measures to avoid, and where that is not possible, minimize adverse impacts on air quality.	<p>— The 2009 Environmental Impact Assessment approved by Resolution 21/2016 indicates that the impact on the air quality component is not significant. Additionally, evidence provided also indicates that there are no complaints about negative impacts on the air quality component. Complementing this information, the recent evidence provided (Atmospheric Dispersion Model, PM 10 &amp; PM2.5, August 2022) indicates that there are no significant impacts from normal activities.</p>
4.3.2.2.	Air quality management strategies and plans shall be implemented and updated, as necessary, over the mine life.	<p>— This requirement has been marked as not relevant due to the outcomes of the assessments performed.</p>

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.	☑	Recent air quality studies have been done by a competent organization. Ambient air measurements will be done in accordance with Chilean requirements that include a description of competencies of people performing such analysis.
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.	●	Locations for monitoring are to be determined based on a dispersion model being developed as part of a service contracted from a consultant. Current air emissions concentrations are determined based on the efficiencies and emission factors or equipment. Performing planned emissions monitoring could be seen as not necessary due to the low apparent contribution of activities. However due to the lack of consideration of the calcinatory, it could be important to perform monitoring in Peine (or other potentially exposed communities) and in the Chepica Camp.
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 mine site and transportation routes, and/or mitigate exceedances as follows: <ul style="list-style-type: none"> <li>a. If a mine is located 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</li> <li>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.</li> </ul>	—	Not relevant.
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: <ul style="list-style-type: none"> <li>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 with a credible international best practice standard;</li> <li>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;</li> <li>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</li> <li>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.</li> </ul>	—	Not relevant.

4.3.4.3.	Dust deposition from mining-related activities shall not exceed 350 mg/m <sup>2</sup> /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.	—	Not relevant.
4.3.5.1.	The operating company shall ensure that its air quality management plan and compliance information is up-to-date and publicly available, or made available to stakeholders upon request.	⊕	During the assessment, the site did not have an air quality management plan in place and therefore it could not be made public. However, based on evidence identified in 1.1.5.4, compliance information has been made available to stakeholders.

## 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 also at existing mines if there is a proposed change to the mine plan that is likely to result in a new source of noise or vibration or an increase in existing noise or vibration levels.	⊕	The organization has undertaken noise modeling as part of the ESIA and identified the sensitive receptors in the project's vicinity. However, the organization does not consistently adapt its plan to changes in activities. This includes drilling and the generation station in the new camp.
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.	⊕	Although the organization does not perform a noise baseline survey, it accounts for noise background levels at sensitive receptors as per the 2013 DIA report.
4.4.2.1.	If screening or other credible information indicates that there are residential, institutional or educational 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 that alternative hours are necessary and/or appropriate because of local, cultural or social norms.	—	This requirement has been marked as not relevant due to the outcomes of the assessments performed.
4.4.2.2.	The following exceptions to 4.4.2.1 apply: 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.	—	As per 2009 ESIA, the noise was not a relevant parameter for the project. Also, as per the 2013 Noise Survey, background levels at sensitive receptors were below 55 dBA (day) and 45 dBA (night).
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 industrial or commercial receptor shall not exceed 70 dBA.	⊕	Measurements show that there is not exceedance above 70dBA at the mine boundary. Variables are currently changing with the project implementation. The organization does not expect to surpass established limits; however, there is no management of change (MOC) implemented during project construction phases. This constitutes an improvement opportunity.

## Chapter 4.4—Noise and Vibration

## Basis for Rating

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: <ul style="list-style-type: none"> <li>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;</li> <li>b. Blasting shall only occur during the hours of 09:00 to 17:00, on traditionally normal working days; and</li> <li>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.</li> </ul>	—	Not relevant as the organization doesn't perform blasting.
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: <ul style="list-style-type: none"> <li>a. There are no nearby human noise receptors that will be impacted by blasting noise or vibration;</li> <li>b. Alternative hours are necessary and/or appropriate because of local, cultural or social norms; and/or</li> <li>c. Potentially affected human receptors have given voluntary approval for the expanded blasting hours.</li> </ul>	—	Not relevant as the organization doesn't perform blasting.
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.	—	The organization states that no complaints around noise and vibration have been received. It was confirmed through interviews with the community and employees that there have not been any complaints.
4.4.2.7.	All noise- and vibration-related complaints and their outcomes shall be documented.	—	The organization states that no complaints around noise and vibration have been received. It was confirmed through interviews with the community and employees that there have not been any complaints.
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.	—	The organization states that no complaints around noise and vibration have been received. This was confirmed through interviews with the community and employees; however, an opportunity might exist in new camp design due to the distance between generators and the sleeping area.

## Chapter 4.5—Greenhouse Gas Emissions

## Basis for Rating

4.5.1.1.	<b>Critical</b> The operating company or its corporate owner shall develop and maintain a greenhouse gas or equivalent policy that commits the company to: <ul style="list-style-type: none"> <li>a. Identifying and measuring greenhouse gas emissions from the mining project;</li> <li>b. Identifying energy efficiency and greenhouse gas reduction opportunities across the mining project;</li> <li>c. Setting meaningful and achievable targets for reductions in absolute greenhouse gas emissions</li> </ul>	☑	The organization developed a site strategy that covers all provisions included in this requirement identifying and developing strategies to reduce and offset emissions, being that the reduction targets are higher than the offsetting ones. The GHG inventory was developed by modelling the mine life cycle, including main and ancillary equipment. The LCA was conducted using a well-known software (GaBi).
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## Chapter 4.5—Greenhouse Gas Emissions

## Basis for Rating

	at the mine site level or on a corporate-wide basis; and d. 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.		
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 Initiative's GRI 305 emissions reporting standard.	✓	Evidence provided indicates that the organization reports its sustainability efforts in alignment with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB). A consultant used LCA software to account for CO2 emissions.
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.	●	Although the organization has a plan to achieve targets included in its policy, these targets seem to be different from those established by corporate. The 2020 corporate sustainability report indicates that the lithium business GHG reduction target is to keep emissions below 3 mtCO2e/mt product by 2030, whereas the organization's target indicates that the 2030 emissions (mtCO2e/mt product) should be below those in 2019, meaning that if the 2019 emissions were 5 mtCO2e/mt product, a 4mtCO2e/mt product will suffice. This means that the plan might not be accurate to achieve those targets should the corporate targets be confirmed.
4.5.3.2.	The operating company shall demonstrate progress toward its greenhouse gas reduction targets.	✓	Evidence indicated that Albemarle has been showing progress towards its GHG reduction targets. During 2020 the lithium business emitted 2.9 mt CO2e/mt product compared to the 3 mt CO2e/mt product of 2019. The lithium business target is to keep its emissions below 3 mt CO2e/mt product through 2030.
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.	✓	The organization retained a consultant to develop a plan to conduct an energy diagnosis and to identify energy efficiency measures throughout the various components of the mine operation. The result of this diagnosis included initiatives such as, for the most part, CO2e emission reductions (inset), and to a lesser extent offset initiatives across all three scopes.
4.5.4.1.	The greenhouse gas policy shall be publicly available.	●	Evidence provided indicated that the policy and strategy for GHG emission reduction is publicly available; however, it is not signed off, since it was indicated that for a policy to be valid, it must go through the approval procedure that includes senior management signatures.
4.5.4.2.	On an annual basis, the operating company or its corporate owner shall: 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;	✓	The organization publicly reports on corporate-level greenhouse gas emissions, progress towards greenhouse gas reduction targets and efforts taken to reduce emissions related to the mining project.

## Chapter 4.5—Greenhouse Gas Emissions

## Basis for Rating

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.		
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## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

## Basis for Rating

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 organization hired competent professionals to undertake biodiversity and ecosystem services evaluations.
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.	⊕	Documents presented showed community participation as part of the ESIA. However, the evidence does not suggest the affected stakeholders' active participation in the development of the biodiversity, ecosystem services and protected areas screening, assessment, management planning, and the development of mitigation and monitoring plans.
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.	⊕	Biodiversity monitoring information is publicly available but does not include an ecosystem service assessment.
4.6.2.1.	<b>Critical</b> 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 ESIA process included a screening stage where potential impacts on biodiversity were assessed and included in the ESIA evaluation. Also, an ecosystem services assessment was prepared in May 2022, and all risks related to biodiversity, ecosystem services and protected areas are now well understood.
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.	⊕	Legally protected areas were screened before the ESIA process, but the conservation values report was only recently finished.
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	⊕	Documents provided contained ecosystem services baseline (May 2022). However, the agreement has not yet been implemented.

## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

## Basis for Rating

	<p>or may be affected by mining-related activities (e.g., KBAs, critical habitat, threatened or endangered species), the operating company shall carry out an impact assessment that includes:</p> <ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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</li> <li>Identification and evaluation of opportunities for partnerships and additional conservation actions that could enhance the long-term sustainable management of protected areas and/or biodiversity and ecosystem services.</li> </ol>		
4.6.4.1.	<p><b>Critical</b> Mitigation measures for new mines shall:</p> <ol style="list-style-type: none"> <li>Follow the mitigation hierarchy of: <ol style="list-style-type: none"> <li>Prioritizing the avoidance of impacts on important biodiversity values and priority ecosystem services and the ecological processes and habitats necessary to support them;</li> <li>Where impacts are not avoidable, minimizing impacts to the extent possible;</li> <li>Restoring biodiversity, ecosystem services and the ecological processes and habitats that support them; and</li> <li>As a last resort, offsetting the residual impacts.</li> </ol> </li> <li>Prioritize avoidance of impacts on important biodiversity values and priority ecosystem services early in the project development process;</li> <li>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.</li> </ol>	—	Not relevant as this is an existing mine.
4.6.4.2.	<p>At existing mines:</p> <ol style="list-style-type: none"> <li>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</li> </ol>		<p>Environmental certification states that the project does not affect sensitive biodiversity areas of the Salar de Atacama; However, ecosystem services analysis was only recently performed; therefore, impacts on these values requires further monitoring.</p> <p>After the Stage 2 onsite assessment, an inquiry was received from a university expressing concern for mining activity and</p>

## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

## Basis for Rating

	<p>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.</p>		<p>the impact on flamingo populations. Additional information regarding this inquiry can be found in the stakeholder comments section of this audit report. No evidence was presented or identified during the onsite assessment of incidents related to flamingo mortality and mining operations.</p>
4.6.4.3.	Offsetting, if required, shall be done in a manner that aligns with international best practice.	—	Not relevant as no offsetting is required.
4.6.4.4.	<p>The operating company shall develop and implement a biodiversity management plan or equivalent that:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. Identifies key indicators, and ensures that there is an adequate baseline for the indicators to enable measurement of the effectiveness of mitigation activities over time;</li> <li>c. Provides a budget and financing plan to ensure that funding is available for effective mitigation.</li> </ul>	●	<p>The organization has developed an approved Biotic Management Plan, and is preparing an internal Biodiversity Management Plan, to include ecosystem services report that goes beyond the legal requirement.</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>The organization is preparing a biodiversity management plan that goes beyond the legal requirement. This is not yet operational. As new information was generated (for example, ecosystem services analysis), the Biodiversity Management Plan shall incorporate the report outcomes.</p>
4.6.5.1.	<p>An operating company shall not carry out new exploration or develop new mines in any legally protected area unless the applicable criteria in the remainder of this chapter are met, and additionally the company:</p> <ul style="list-style-type: none"> <li>a. Demonstrates that the proposed development in such areas is legally permitted;</li> <li>b. Consults with protected area sponsors, managers and relevant stakeholders on the proposed project;</li> <li>c. Conducts mining-related activities in a manner consistent with protected</li> <li>d. Implements additional conservation actions or programs to promote and enhance the conservation aims and/or effective management of the area.</li> </ul>	—	Not relevant as this is an existing mine
4.6.5.2.	<p>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.</p>	—	Not relevant as there are no mining-related activities in indicated areas.



## Chapter 4.6—Biodiversity, Ecosystem Services and Protected Areas

## Basis for Rating

	<ul style="list-style-type: none"> <li>International Union for Conservation of Nature (IUCN) protected area management category IV protected areas;</li> <li>Ramsar sites that are not IUCN protected area management categories I-III; and</li> <li>Buffer zones of UNESCO biosphere reserves.</li> </ul>		
4.6.5.3.	<p><b>Critical</b> 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"> <li>World Heritage Sites, and areas on a State Party's official Tentative List for World Heritage Site Inscription;</li> <li>IUCN protected area management categories I-III;</li> <li>Core areas of UNESCO biosphere reserves.</li> </ul>	—	Not relevant as this is an existing mine.
4.6.5.4.	<p><b>Critical</b> 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"> <li>The mine was developed prior to the area's official designation;</li> <li>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</li> <li>The operating company collaborates with relevant management authorities to integrate the mine's management strategies into the protected area's management plan.</li> </ol>	—	Not relevant as there are no mining-related activities in indicated areas.
4.6.6.1.	The operating company shall develop and implement a program to monitor the implementation of its protected areas and/or biodiversity and ecosystem services management plan(s) throughout the mine lifecycle.	⊕	Ecosystem services monitoring was recently prepared, but implementation is not yet being monitored.
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.	⊕	Key biodiversity indicators are monitored with a proper frequency and include indicators to evaluate the effectiveness of the management measures. However, no net loss or net gain in biodiversity strategy has yet been implemented.
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 define and implement timely and effective corrective action in consultation with relevant stakeholders.	⊕	There were no impacts on biodiversity values identified during the ESIA stage. The ecosystem services report needs to define if objectives are achieved, and if corrective actions are required.
4.6.6.4.	The findings of monitoring programs shall be subject to independent review.	⊙	At the time of the Stage 2 onsite assessment the organization was in the process of starting an independent review of their biological monitoring programs.

## Chapter 4.7—Cyanide Management

## Basis for Rating

Chapter Not Relevant	—	
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## Chapter 4.8—Mercury Management

## Basis for Rating

Chapter Not Relevant

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## APPENDIX B – Corrective Action Plans

## Root Cause Analysis Report

### <Requirement 1.1.1.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
<b>Research team</b>	
<ul style="list-style-type: none"><li>- Catalina Orb, Environmental Sustainability Manager</li><li>- Ignacio Toro, Environmental Manager</li><li>- Andrés González, Legal Counsel</li></ul>	
<b>Method of analysis</b>	
"5 Whys" analysis	
<b>Reference document</b>	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
<b>Description of the finding in the IRMA audit report</b>	
Essential permits to access lithium resources and land are in place. In addition, organizational permits related to environmental licenses and water resources were provided. A meeting with the site legal manager included a discussion of the company's legal situation, including two open tax-related lawsuits, and evidence of how Albemarle is dealing with the matter.	
<b>Summary of the finding</b>	
There are two ongoing lawsuits, an arbitration lawsuit for a difference in the calculation of the commission payment and a tax claim.  There is an ongoing lawsuit for environmental damage. The Environmental Superintendency found environmental damage caused by Minera Escondida Limitada (MEL). The community of Peine filed a lawsuit against MEL for environmental damage. Finally, the State Defense Council (SDC) filed a lawsuit against MEL, Compañía Minera Zaldívar (CMZ) and Albemarle (Alb).	
<b>Supporting information: description of the requirement</b>	
Chapter 1.1. Legal Compliance – Criteria 1.1.1. Compliance with host country laws – Critical Requirement 1.1.1.1 - The operating company shall comply with all legislation of the host country applicable in relation to the mining project.	

## Section 2. Scope

**Scope of research**

Review of training and procedures, management systems.

**Scope of impact of the finding**

Salar Plant, Albemarle.

**Objective of the evaluation**

The objective of this assessment is to determinate the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

**Action to prevent the condition, or minimize the impact of the finding in the future is:**

Avoid or minimize the probability of occurrence of legal claims.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why
<ul style="list-style-type: none"> <li>• <b>CORFO Arbitration:</b> CORFO and Albemarle have a different interpretation of a clause in the contract between CORFO and Albemarle. Strictly, it is not a legal breach, it is rather a dispute in relation to the contractual document between CORFO and Albemarle.</li> <li>• <b>Internal Tax Service Judgment:</b> Albemarle has different interpretations than the SII (Servicio de Impuestos Internos) in relation to the application of a tax, the nature of related party transactions and certain calculation methodologies.</li> <li>• <b>Environmental damage lawsuit:</b> The CDE includes Albemarle because it decided to include all companies extracting water from the MNT basin, not only those found to be in non-compliance.</li> </ul>
Second Why
<ul style="list-style-type: none"> <li>• <b>CORFO Arbitration:</b> The contract contained ill-defined clauses that could not be clarified prior to the beginning of this arbitration. These clauses were also found in a similar contract between CORFO and a third party. In that case, the contract was modified to make explicit the interpretation that Albemarle has maintained. This was not possible in Albemarle's case.</li> <li>• <b>Judgment of the Internal Tax Service:</b> The tax regulations aren't that clear and leave room for different interpretations</li> <li>• <b>Environmental damage lawsuit:</b> All companies that use water from the MNT (Monturaqui Negrillar and Tilopozo) basin could, theoretically, affect the area in which environmental damage was established.</li> </ul>
Third Why
<ul style="list-style-type: none"> <li>• <b>CORFO arbitration:</b> CORFO and Albemarle were unable to reconcile their positions.</li> <li>• <b>Internal Tax Service trial:</b> During the previous audit process, it was not possible to deliver all the information because Albemarle Limitada's did not have some information and we weren't able to reach an agreement.</li> <li>• <b>Environmental damage lawsuit:</b> Use of water by third parties may affect Albemarle.</li> </ul>
Fourth Why
<ul style="list-style-type: none"> <li>• <b>CORFO Arbitration:</b> Opposing and divergent interpretations make it necessary to reconcile them through the arbitration mechanism established in the contract as a dispute resolution system.</li> <li>• <b>Judgment Internal Tax Service:</b> Different interpretations regarding the application of general rules to specific cases may require a third part to resolve them.</li> <li>• <b>Environmental damage lawsuit:</b> Water is the critical element and the limiting environmental variable of the ecosystems in the Salar de Atacama basin.</li> </ul>

#### Section 4. Root Cause(s) Summary

Root cause(s) summary
<p>In the current contracts, as in future contracts, different interpretations may arise between the parties (in particular, CORFO and Albemarle).</p>
<p>The application of tax regulations allows for different interpretations that often must be resolved by a judge.</p>
<p>The use of fresh water in the Salar de Atacama is controversial due to the criticality of this resource for the subsistence of the communities and environment. Albemarle does not use fresh water in its process. The use of this resource for a purpose other than the communities and/or ecosystems generates conflict between the different water users in the basin.</p>

## Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• Within the framework of an eventual arbitration termination agreement (conciliation), propose improvements in the clauses that may generate controversies in order to avoid future differences in interpretation.<ul style="list-style-type: none"><li>○ Responsible: Ignacio Mehech, Carla Araya – Legal Department, Carlos Calderón</li><li>○ Deadline: December 2023</li></ul></li><li>• Propose an integral agreement to the SII, establishing guidelines that provide clarity on the interpretation criteria that the SII will apply to Albemarle's operations.<ul style="list-style-type: none"><li>○ Responsible: Claudia Cardenas, Carla Araya – Legal Department.</li><li>○ Deadline: December 2023</li></ul></li><li>• Advance in the exploration of new sources of water supply from outside the Salar de Atacama.<ul style="list-style-type: none"><li>○ Responsible: Ignacio Toro – Environmental Department</li><li>○ Deadline: December 2023</li></ul></li></ul>

## Root Cause Analysis Report

### <Requirement 1.2.2.2.– IRMA Audit>

#### Section 1. General Information

Name of research owner		Date of analysis
Daniela Orellana, Environmental Sustainability Engineer		April 2023
Research team		
<ul style="list-style-type: none"> <li>- Catalina Orb, Environmental Sustainability Manager</li> <li>- Ignacio Toro, Environmental Manager</li> <li>- Sebastián Pinto, Community Relations Leader</li> <li>- Manuel Zamora, Community Relations and Corporate Responsibility Manager</li> </ul>		
Method of analysis		
"5 Whys analysis"		
Reference document		
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.		
Description of the finding in the IRMA audit report		
Engagement through MTPs meets sub-criteria (b) to (e); however, the organization does not provide sufficient opportunities for meaningful two-way engagement with communities outside of MTPs, as some community members indicated that information does not reach them in a timely manner (sub-criterion [a]).		
Summary of the finding		
Relevant information to communities does not arrive in a timely manner.		
Supporting information: description of the requirement		
<p>Chapter 1.2. Community and stakeholder engagement – Criteria 1.2.2. Engagement Processes – Critical Requirement 1.2.2.2. - The operating company shall foster two-way dialogue and meaningful engagement with stakeholders by:</p> <ul style="list-style-type: none"> <li>a. Providing relevant information to stakeholders in a timely manner;</li> <li>b. Including participation by site management and subject-matter experts when addressing concerns of significance to stakeholders;</li> <li>c. Engaging in a manner that is respectful, and free from manipulation, interference, coercion or intimidation;</li> <li>d. Soliciting feedback from stakeholders on issues relevant to them; and</li> <li>e. Providing stakeholders with feedback on how the company has taken their input into account.</li> </ul>		



## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

Communities should receive relevant information in a timely manner and be able to adequately participate in company decisions that may affect them.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why	<ul style="list-style-type: none"> <li>Albemarle together with the indigenous community of Peine and the CPA (Consejo de Pueblos Atacameños) established, through their agreements (convenios), formal instances of communication in the MTP (Mesas de Trabajo Permanente) in which leaders participate, and as established by ILO (International Labor Organization) Convention 169. This is reinforced by an important percentage of the indigenous population that requests that the relationship with the companies be only through the institutions that represent them.</li> </ul>
Second Why	<ul style="list-style-type: none"> <li>Albemarle has maintained the formal channel established in the agreements, so that any activity and communication that may be relevant to the community is presented in these formal meetings and additional meetings have also been promoted when the need has been seen.</li> </ul>
Third Why	<ul style="list-style-type: none"> <li>Community leaders do not always have the time and personal resources to disseminate information from our formal meetings with the rest of the community. Additionally, there is a fairly frequent rotation of positions, so it may happen that community members do not receive the information that Albemarle transmits through formal instances.</li> </ul>

## Section 4. Root Cause(s) Summary

Root cause(s) summary
The current participation mechanism is not effective, since it is an instance in which only the leaders participate, and when they do not communicate the information to the rest of the community members, interested people do not always have the opportunity to dialogue and participate in what they consider relevant.

## Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"> <li>• Critical analysis of current communication mechanisms and channels. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant.</li> <li>○ Deadline: December 2023</li> </ul> </li> <li>• Propose changes to current mechanisms and channels. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant.</li> <li>○ Deadline: July 2024</li> </ul> </li> <li>• Propose new forms of communication that includes local Assemblies, diverse local groups. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant.</li> <li>○ Deadline: December 2023</li> </ul> </li> <li>• Implement actions whose goal is to communicate better the Company's plans. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant.</li> <li>○ Deadline: July 2024</li> </ul> </li> <li>• Preparation of a Citizen Relations and Participation Plan that includes opportunities for improvement detected in the current communication mechanisms and channels. This plan should involve the community in the areas of Cultural Heritage, Safety, Environment and Human Rights. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant.</li> <li>○ Deadline: August 2023</li> </ul> </li> <li>• Socialization should consider, at least, the following instances: <ul style="list-style-type: none"> <li>○ Presentation of the Plan to the indigenous communities and the community in general through Permanent Worktables (MTP's) and other social networks.</li> <li>○ Visits to the community around the Salar de Atacama Plant and collection of general comments.</li> <li>○ Compilation of observations, comments and contributions on the plan, either by adapting the plan or specifying why the observation, comment or contribution was discarded. <ul style="list-style-type: none"> <li>▪ Responsible: Manuel Zamora – Community Relations, Salar Plant.</li> <li>▪ Deadline: December 2023</li> </ul> </li> </ul> </li> </ul>

## Root Cause Analysis Report

### <Requirement 1.3.2.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
Research team	
<ul style="list-style-type: none"><li>- Catalina Orb, Environmental Sustainability Manager</li><li>- Ignacio Toro, Environmental Manager</li><li>- Natalia Díaz, Regional Compliance Manager</li></ul>	
Method of analysis	
"5 Whys analysis"	
Reference document	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
Description of the finding in the IRMA audit report	
<p>The organization is progressing in the identification and assessment of human rights risks. The main human rights risks identified were potential adverse environmental impacts and potential discrimination of indigenous workers, among others.</p> <p>For previous changes in operations, such as Campamento Chepica and "Modifications and Improvement of the Solar Evaporation Pool System in the Salar de Atacama," an assessment with potentially affected rights holders was not carried out.</p>	
Summary of the finding	
They have not performed some of the required human rights risk assessments.	
Supporting information: description of the requirement	
Chapter 1.3. Human rights due diligence - Criteria 1.3.2. Assessment of human rights risks and impacts - Critical Requirement 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 a minimum, when there are significant changes to the mining project, business relationships, or in the operating environment.	

## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

All required Human Rights risk assessments must be conducted, both when there are changes in current operations and associated with the closure plan.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why
<ul style="list-style-type: none"> <li>Albemarle did not have a procedure in place that required assessing human rights risks when there are significant changes to the mining project, business relationships, or operational environment (or to the closure plan).</li> </ul>
Second Why
<ul style="list-style-type: none"> <li>Chilean law does not contemplate including a human rights assessment when carrying out a mining project.</li> <li>In Chile there is a legislation related to Human Rights. However, there is no specific legislation for mining activities. The company has a Collaboration Agreement for sustainability with indigenous communities. This agreement included a free and informed consulting process in compliance with ILO (International Labor Organization) Convention 169. To date, modifications were considered to be covered by this agreement and a human rights risk analysis was not required if the authority considered that there was no impact on the population or the environment.</li> </ul>

## Section 4. Root Cause(s) Summary

### Root Cause(s) Summary

There is no obligation to conduct a human rights risk assessment, considering all potentially affected stakeholders, when there are significant changes in the mining project, business relationships, or operational environment.

## Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• Determine the process and frequency with which a human rights risk assessment will be conducted.<ul style="list-style-type: none"><li>○ Responsible: Natalia Díaz – Compliance</li><li>○ Deadline: May 2023</li></ul></li><li>• Update and incorporate the above in the Human Rights Risk Management procedure.<ul style="list-style-type: none"><li>○ Responsible: Natalia Díaz – Compliance</li><li>○ Deadline: October 2023</li></ul></li><li>• Define actions to fully implement the Human Rights Risk Management procedure. These actions include, among others, additional human rights audits and follow-up of action plans.<ul style="list-style-type: none"><li>○ Responsible: Natalia Díaz – Compliance</li><li>○ Deadline: April 2024</li></ul></li></ul>

## Root Cause Analysis Report

### <Requirement 1.4.1.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
<b>Research team</b>	
<ul style="list-style-type: none"> <li>- Catalina Orb, Environmental Sustainability Manager</li> <li>- Ignacio Toro, Environmental Manager</li> <li>- Natalia Díaz, Regional Compliance Manager</li> <li>- Sebastián Pinto, Community Relations Leader</li> <li>- Manuel Zamora, Community Relations and Corporate Responsibility Manager</li> </ul>	
<b>Method of analysis</b>	
"5 Whys analysis"	
<b>Reference document</b>	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
<b>Description of the finding in the IRMA audit report</b>	
<p>The organization has an 'integrity helpline' (available 24/7) and other internal grievance processes that are available to workers. Evidence was observed onsite of the socialization of this mechanism, and workers confirmed knowledge of it. There is not yet an exclusive functioning grievance mechanism for communities outside of the Mesas de Trabajo Permanente (MTP), which many community members view as effective only in bringing community-level grievances (not individual grievances) to the organization. The organization provided evidence that the creation of an exclusive grievance mechanism for communities is in progress, and that they have shared preliminary details of this mechanism with 14 / 18 communities with whom they have agreements.</p> <p>An important consideration of the organization's conformance to these criteria is to what extent the site is required or obligated to defer to traditional structures of representation as reflected by the agreements signed with the 18 indigenous communities in the project area. Guidance notes for similar criteria in IRMA (i.e., guidance note for 2.2.3.2) state that sites can encourage, but not impose, more egalitarian or otherwise distinct participatory structures on indigenous groups with whom they have relations. Community grievances expressed through the MTP (and responses to them) would constitute an appropriate form of receiving and responding to complaints. Thus, the organization can encourage (as they are by creating an alternative mechanism) but not impose additional channels of engagement upon the communities. Moreover, if all workers have access, and most community members have at least one resource through the CPA or MTP, and the site has begun socializing the more 'individualized' mechanism, it is evident - although imperfect - that most stakeholders have access to some form of complaint and grievance mechanism process.</p> <p>The 2022 Community Complaints and Grievances Report provides evidence that the mine is receiving complaints and that people are making use of the systems in place to raise concerns.</p>	

### Summary of the finding

The community has no access to a GCM.

### Supporting information: description of the requirement

Chapter 1.4. Grievance mechanism and access to remedy - Criteria 1.4.1. Access to operational-level grievance mechanisms - Critical Requirement 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.

## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

The implementation of a Complaints and Grievance Mechanism should be finalized, especially considering the community surrounding the site.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

### First Why

- The GCM is fully implemented for workers and is supported by procedures, however, since access is through a website or phone call, it can be difficult for communities to access due to geographic and demographic barriers.

### Second Why

- In relation to the indigenous communities, Albemarle has permanent working tables (MTP's) in which the integrity helpline has been disseminated. It was estimated that these instances (MTP and line) were sufficient to receive complaints and claims

### Third Why

- To date, the company received grievances from the community through MTP's and/or directly through the community relations team. Therefore, another channel was not considered necessary as it had never been requested by the communities.

#### Section 4. Root Cause(s) Summary

Root Cause(s) Summary
The current system of complaints and grievances for the communities is insufficient, as it was not known by all social actors.

#### Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• Implement a specific mechanism for community complaints and grievances (including indigenous communities and external stakeholders in general) that complies with the highest standards in this area.<ul style="list-style-type: none"><li>○ Responsible: Manuel Zamora - Community Relations, Natalia Díaz - Compliance</li><li>○ Deadline: July 2023</li></ul></li><li>• Implement a management system for received grievances that allows keeping a record of incoming complaints and claims as well as the procedure used to analyze and respond to them, including a record of the outcome of each complaint and/or claim.<ul style="list-style-type: none"><li>○ Responsible: Manuel Zamora - Community Relations, Natalia Díaz - Compliance</li><li>○ Deadline: December 2023</li></ul></li></ul>



## Root Cause Analysis Report

### <Requirement 2.1.3.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
Research team	
<ul style="list-style-type: none"><li>- Catalina Orb, Environmental Sustainability Manager</li><li>- Ignacio Toro, Environmental Manager</li><li>- Alejandra Sarria, Permits Leader</li><li>- Felipe Rodríguez, Planta Salar Environmental Head</li></ul>	
Method of analysis	
"5 Whys analysis"	
Reference document	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
Description of the finding in the IRMA audit report	
Although Chilean legislation does not require projects to formally undertake a scoping process along with the ESIA process, the screening and scoping phases are conducted in practice, since the approval procedure requires an early identification of the expected environmental and social impacts to qualify the project. Also, the organization has recently implemented an internal screening and scoping procedure to detect environmental and social risks early on; therefore, the effectiveness of the implementation should be assessed in the future.	
Summary of the finding	
Screening and scoping were not formally implemented, as it was not a requirement of the environmental authority.	
Supporting information: description of the requirement	
Chapter 2.1. Environmental and social impact assessment and management - Criteria 2.1.3. Initial assessment study - Critical Requirement 2.1.3.1. The operating company shall demonstrate that it has undertaken a comprehensive evaluation of the potential environmental and social impacts associated with the mining operation.	

#### Section 2. Scope

Scope of research
Review of training and procedures, management systems.

<b>Scope of impact of the finding</b>
Salar Plant, Albemarle.
<b>Objective of the evaluation</b>
The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.
<b>Action to prevent the condition, or minimize the impact of the finding in the future is:</b>
The use of the new screening and scoping procedure should be monitored at the initial stage of all new projects.

### Section 3. Evaluation Process

<b>First Why</b>
<ul style="list-style-type: none"> <li>Albemarle performed the screening and scoping process for its environmental permit but we didn't submit a formal document, and we didn't have an established procedure and leaving the associated verifiers.</li> </ul>
<b>Second Why</b>
<ul style="list-style-type: none"> <li>Screening and scoping was not explicitly required content of the documents with which environmental authorization is requested in Chile. However, in all EIAs a screening and scoping is carried out indirectly. The legislation establishes that the screening must analyze the activities and their possible impacts on each of the environmental and human environment variables. Subsequent scoping evaluates whether these impacts may generate any of 6 effects (risks to the health of the population, adverse effects on the environment, landscape, cultural value, tourism or human rights and life systems). The EIA should focus on those effects that are at risk of occurring.</li> </ul>
<b>Third Why</b>
<ul style="list-style-type: none"> <li>Albemarle's obtained its EIA environmental permit in 2016 and signed a cooperation agreement for the sustainability of the Salar with the communities of the Salar. This agreement had the support of the communities in the implementation of the project. This support was obtained after a free and informed consultation process that met the standard of ILO (International Labor Organization) Convention 169.</li> <li>To date, no major projects have been implemented that would suggest that screening or scoping should be required.</li> </ul>
<b>Fourth Why</b>
<ul style="list-style-type: none"> <li>New projects and/or modifications were small in scope and screening and scoping was very easy to do implicitly, it was not considered necessary to perform it through a procedure that would also establish the verifiers that would allow it to be audited in the future.</li> </ul>
<b>Fifth Why</b>
<ul style="list-style-type: none"> <li>It was not within the company's objectives to establish procedures that would allow external stakeholders to verify Albemarle's performance standard on social and environmental issues.</li> </ul>

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

#### Section 4. Root Cause(s) Summary

Root Cause(s) Summary
There was no formal screening and scoping procedure that established roles, responsibilities and resources. Therefore, evidence of the qualitative analyses performed was not generated either.

#### Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• Constantly verify the application of the procedure and use of records in projects carried out.<ul style="list-style-type: none"><li>○ Responsible: Alejandra Sarria, Environmental Sustainability – María Belén Fernández, Capital Project</li><li>○ Deadline: July 2023</li></ul></li><li>• Analyze and review the need to incorporate modifications and improvements in the implementation of screening and scoping. If necessary, update procedure "Socio-environmental screening/scoping and socialization/indigenous consultation".<ul style="list-style-type: none"><li>○ Responsible: Alejandra Sarria, Environmental Sustainability</li><li>○ Deadline: November 2023</li></ul></li><li>• Ensure that all project areas are aware of the procedure and implement it.<ul style="list-style-type: none"><li>○ Responsible: Alejandra Sarria, Environmental Sustainability</li><li>○ Deadline: December 2023</li></ul></li><li>• Evaluate the effectiveness of the screening/scoping in all the instances indicated by the procedure.<ul style="list-style-type: none"><li>○ Responsible: Catalina Orb, Environmental Sustainability</li><li>○ Deadline: July 2024</li></ul></li></ul>

## Root Cause Analysis Report

### <Requirement 2.5.1.1.– IRMA audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
Research team	
<ul style="list-style-type: none"> <li>- Catalina Orb, Environmental Sustainability Manager</li> <li>- Ignacio Toro, Environmental Manager</li> <li>- Franco Sturione, HSS Superintendent Salar Plant</li> <li>- Sebastián Pinto, Community Relations Leader</li> <li>- Manuel Zamora, Assistant Manager of Community Relations and Corporate Responsibility</li> </ul>	
Method of analysis	
"5 Whys analysis"	
Reference document	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
Description of the finding in the IRMA audit report	
<p>The emergency plan evidenced in response to this IRMA requirement complies with the requirement. During stage 2 it was observed that community consultation for potential emergencies that could impact them was in the latest stages of development but not concluded. Consultation was ongoing, but no feedback had yet been received. The plan also has missing components, including awareness and preparedness for emergencies at local level (APELL), including stakeholder participation requirements.</p>	
Summary of the finding	
Emergency plans do not consider United Nations APELL requirements and community participation, and there were no camp evacuation drills.	
Supporting information: description of the requirement	
<p>Chapter 2.5. Emergency preparation and response - Criteria 2.5.1. Emergency response plan - Critical Requirement 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.</p>	

## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

Emergency plans should be aligned with United Nations APELL requirements.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why	<ul style="list-style-type: none"> <li>Emergency plans were not made based on APELL guidelines.</li> </ul>
Second Why	<ul style="list-style-type: none"> <li>There had been no analysis of the United Nations APELL requirements and guidelines, nor of the opportunities generated by involving the communities.</li> </ul>
Third Why	<ul style="list-style-type: none"> <li>APELL guidelines were not known previous to the IRMA audit process.</li> </ul>

## Section 4. Root Cause(s) Summary

### Root Cause(s) Summary

There was no knowledge of the United Nations APELL requirements in the development of site emergency plans prior to the IRMA audit process.

## Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• In developing emergency plans, review and consider the United Nations Environment Program's Awareness and Preparedness for Emergencies at the Local Level (APELL) guidelines for mining.<ul style="list-style-type: none"><li>○ Responsible: Franco Sturione – Risk Prevention Salar Plant</li><li>○ Deadline: December 2023</li></ul></li><li>• Conduct drills according to planning (internal and with the community) and consider evacuation of the camp.<ul style="list-style-type: none"><li>○ Responsible: Franco Sturione - Risk Prevention Salar Plant, Manuel Zamora - Community Relations</li><li>○ Deadline: July 2023</li></ul></li><li>• Verify that the updates of the emergency plans have been socialized with the community, that their consultations and feedback have been received and analyzed, as well as the incorporation of those aspects that require so, and that the responses to each of the observations received have been generated.<ul style="list-style-type: none"><li>○ Responsible: Manuel Zamora, Community Relations, Salar Plant - Franco Sturione – Risk Prevention, Salar Plant</li><li>○ Deadline: July 2024</li></ul></li></ul>

## Root Cause Analysis Report

### <Requirement 2.5.2.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
<b>Research team</b>	
Catalina Orb, Environmental Sustainability Manager Ignacio Toro, Environmental Manager Franco Sturione, HSS Superintendent Salar Plant Sebastián Pinto, Community Relations Leader Manuel Zamora, Community Relations and Corporate Responsibility Manager	
<b>Method of analysis</b>	
“5 Whys analysis”	
<b>Reference document</b>	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
<b>Description of the finding in the IRMA audit report</b>	
<p>The organization provided evidence that an emergency plan dealing specifically with the workers’ camp in Peine was prepared and presented to community leaders for feedback in early May 2022 (feedback received in June 2022). While recognizing a longer history of cooperation on emergency matters with the community of Peine, the formulation of this plan and its socialization amongst the community did not occur prior to the Stage 2 onsite audit.</p> <p>During the follow-up assessment further evidence of improved communication with community was observed. Drill performed identified gaps; however, still there is an opportunity to better communicate with community leaders, formulate a communication plan that is not based on persons but on positions, and ensure when community leaders change that this is reflected and properly communicated.</p> <p>During the further assessment the site generated a critical scenario drill to complement the complete drill program.</p>	



**Summary of the finding**

Communication of changes in community authorities is not fluid.

**Supporting information: description of the requirement**

Chapter 2.5. Emergency Preparation and Response - Criteria 2.5.2. Community and worker consultation - Critical Requirement 2.5.2.1. 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.

## Section 2. Scope

**Scope of research**

Review of training and procedures, management systems.

**Scope of impact of the finding**

Salar Plant, Albemarle.

**Objective of the evaluation**

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

**Action to prevent the condition, or minimize the impact of the finding in the future is:**

Communities and workers should be consulted on emergency plans.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why	
	<ul style="list-style-type: none"> <li>The information provided by Albemarle to the leaders through formal channels does not reach the rest of the community in an effective way.</li> </ul>
Second Why	
	<ul style="list-style-type: none"> <li>Albemarle started socialization of emergency plans with leaders, who were later changed and internally there was no transfer of information in the community.</li> </ul>
Third Why	
	<ul style="list-style-type: none"> <li>Albemarle does not know who will be elected as a new leader, so they can't have formal meetings ahead of time to socialize emergency plans. Once new leaders are in place, we communicate with them through the formal MTPs (Mesas de Trabajo Permanente), but emergency plans are not always a top priority for new leaders.</li> </ul>

## Section 4. Root Cause(s) Summary

Root Cause(s) Summary
There is a lack of formal instances of interaction with the board of community leaders prior to the elections, in which relevant short, medium and long-term issues are discussed, including the socialization of the emergency plans.

## Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"> <li>• Socialize emergency plans with workers. <ul style="list-style-type: none"> <li>○ Responsible: Franco Sturione – Risk Prevention, Salar Plant</li> <li>○ Deadline: December 2023</li> </ul> </li> <li>• Socialize emergency plans with general community leadership positions and include feedback in future updates. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant</li> <li>○ Deadline: July 2024</li> </ul> </li> <li>• Generate a relationship procedure with the elected new board of directors, to address short, medium and long-term community issues, in order to ensure that the continuity of the work is not lost regardless of the elected candidate. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant</li> <li>○ Deadline: August 2024</li> </ul> </li> <li>• Incorporate into emergency plans formal communication mechanisms with the communities when appropriate. <ul style="list-style-type: none"> <li>○ Responsible: Manuel Zamora – Community Relations, Salar Plant</li> <li>○ Deadline: July 2024</li> </ul> </li> <li>• Coordinate emergency drills in collaboration with the communities. <ul style="list-style-type: none"> <li>○ Responsible: RRCC y HES</li> <li>○ Deadline: October 2023</li> </ul> </li> </ul>

## Root Cause Analysis Report

### <Requirement 3.1.3.3.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
Research team	
<ul style="list-style-type: none"> <li>- Catalina Orb, Environmental Sustainability Manager</li> <li>- Ignacio Toro, Environmental Manager</li> <li>- Natalia Vovk, HR Business Partner, Salar Plant and Santiago</li> <li>- Natalia Díaz, Regional Compliance Manager</li> </ul>	
Method of analysis	
"5 Whys analysis"	
Reference document	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
Description of the finding in the IRMA audit report	
The organization provided evidence of an anti-discrimination policy, and equal opportunity and fair treatment in employment awareness raising for employees (through the code of conduct). The organization has a formalized and socialized policy on workplace discipline, including prohibition of harassment.	
Summary of the finding	
Some (male) workers commented during interviews about verbal harassment.	
Supporting information: description of the requirement	
Chapter 3.1. Fair Labor and Working Conditions - Criteria 3.1.3. Non-discrimination and Equal Opportunity - Critical Requirement 3.1.3.3. The operating company shall take measures to prevent and address harassment, intimidation and/or exploitation, especially in regard to female workers.	

#### Section 2. Scope

Scope of research
Review of training and procedures, management systems.
Scope of impact of the finding
Salar Plant, Albemarle.

**Objective of the evaluation**

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

**Action to prevent the condition, or minimize the impact of the finding in the future is:**

Reinforce training, by recording attendance, of measures to prevent and address harassment, bullying and/or exploitation.

**Section 3. Evaluation Process**

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

**First Why**

- Albemarle implemented a training campaign on its corporate values and integrity line five years ago and reinforces it on an ongoing basis. Complaints and claims received through the integrity line are treated with absolute confidentiality, as are the disciplinary measures that are applied once the corresponding investigations have been carried out, all with the aim of respecting the privacy of workers. Despite the efforts made by the company, there are still workers who do not behave in line with the company's values.

**Section 4. Root Cause(s) Summary**
**Root Cause(s) Summary**

Efforts should be maintained to raise employee awareness of corporate values and integrity.

**Section 5. Recommendations**

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

**Recommendations**

- Diagnosis and assessment in Standard 3162
  - Responsible: Nataliia Vovk – Human Resources
  - Deadline: August 2023
- Evaluate frequency and effectiveness of training process on measures to prevent and address harassment, bullying and/or exploitation.
  - Responsible: Natalia Vovk, Natalia Diaz – Compliance
  - Deadline: September – 2023
- Conduct a 360° evaluation to leaders.
  - Responsible: Nataliia Vovk – Human Resources
  - Deadline: December 2023
- Assess the opportunities for implementing a 360° evaluation system and based on this, evaluate its implementation.
  - Responsible: Human Resources
  - Deadline: December 2023

## Root Cause Analysis Report

### <Requirement 3.2.4.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
Research team	
<ul style="list-style-type: none"><li>- Catalina Orb, Environmental Sustainability Manager</li><li>- Ignacio Toro, Environmental Manager</li><li>- Franco Sturione, HSS Superintendent Salar Plant</li></ul>	
Method of analysis	
"5 Whys analysis"	
Reference document	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
Description of the finding in the IRMA audit report	
<p>As communicated to the audit team, all companies in Chile have the obligation to inform their workers (DS N°40/article 21) about the risks involved in their work, the preventive measures to be adopted and the correct work methods. In line with this requirement, all workers receive information according to their activities, depending on their function (see "Obligation to Inform"). In addition, each new worker is provided with personal protective equipment (PPE) and is given an induction (Induction HSS Hombre Nuevo). There are also annual training programs. Regarding emergencies or accidents, the organization has an emergency and contingency plan for the Salar Plant. The organization has implemented various monitoring methods to ensure the understanding and control of key hazards. From the site observations, those methods present variability in their effectiveness with opportunities around control effectiveness assurance at various organizational levels. This includes field supervisors that at times were not knowledgeable on the management system processes including risk assessment, control measures, and how to report gaps to those expected controls. When gaps are identified, actions seem to be symptomatic and not consistently addressing root causes. This could contribute to the increase in the operational risk profile of the organization if not addressed.</p>	
Summary of the finding	
Risk assessment methods for workers show variability.	
Supporting information: description of the requirement	

Chapter 3.2. Occupational health and safety - Criteria 3.2.4. Measures to protect workers - Critical Requirement 3.2.4.1. (- only 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;
- 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.

## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

Reinforce training, recording attendance, of management processes to ensure worker safety.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why	<ul style="list-style-type: none"> <li>• Not all workers apply an effective root cause analysis system.</li> </ul>
Second why	<ul style="list-style-type: none"> <li>• The tools available and included in accident prevention training may not be applied according to the existing standard.</li> </ul>

#### Section 4. Root Cause(s) Summary

Root Cause(s) Summary
Not all workers apply, according to the existing standard, the tools that are disseminated in prevention training.

#### Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• Generate an action plan to increase the performance of root cause analysis to improve the operation of the Salar Plant in general.<ul style="list-style-type: none"><li>○ Responsible: Aylen Llanquileo</li><li>○ Deadline: July 2023</li></ul></li><li>• Establish a periodical instance to show and receive feedback from workers, showing the general analysis of accident rates, root causes and improvements made in management.<ul style="list-style-type: none"><li>○ Responsible: Franco Sturione</li><li>○ Deadline: July 2023</li></ul></li><li>• Establish a periodical instance to show and receive feedback from the communities, showing the general analysis of accident rates, root causes and improvements made in management.<ul style="list-style-type: none"><li>○ Responsible: Manuel Zamora</li><li>○ Deadline: December 2023</li></ul></li></ul>



## Reporte de Análisis de Causa Raíz

### <Requisito 3.3.1.1.– Auditoría IRMA>

#### Sección 1. Información General

Nombre del dueño de investigación	Fecha del análisis
Daniela Orellana, Ingeniero de Sostenibilidad Ambiental	Abril de 2023
<b>Equipo de investigación</b>	
<ul style="list-style-type: none"> <li>- Catalina Orb, Subgerente de Sostenibilidad Ambiental</li> <li>- Ignacio Toro, Gerente de Medio Ambiente</li> <li>- Sebastián Pinto, Líder de Relaciones Comunitarias</li> <li>- Manuel Zamora, Subgerente de Relaciones Comunitarias y Responsabilidad Corporativa</li> </ul>	
<b>Método de análisis</b>	
Análisis de “5 por qué”	
<b>Documento de referencia</b>	
Reporte de auditoría IRMA en Planta Salar, realizado por ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
<b>Descripción del hallazgo en reporte de auditoría IRMA</b>	
Los documentos proporcionados abordan los riesgos ambientales y operativos, aunque la evaluación de los subcriterios (f), (g) e (i) aún no están integrados en los procesos formales de evaluación de riesgos. Más bien, se evaluaron en una evaluación independiente en mayo de 2022 (Arcadis 2022), que se basó, para algunos subcriterios, en la EIA de 2009 y otros estudios.	
<b>Síntesis del hallazgo</b>	
Se realizó una evaluación incompleta de los riesgos e impactos a la salud y seguridad de la comunidad.	
<b>Información de apoyo: descripción del requisito</b>	
<p>Capítulo 3.3. Salud y seguridad de la comunidad – Criterio 3.3.1. Estudio de evaluación inicial de los riesgos e impactos a la salud y a la seguridad – Requisito Crítico 3.3.1.1. La empresa operadora deberá llevar a cabo un estudio de evaluación inicial para identificar riesgos e impactos potenciales y significativos para la salud y la seguridad de la comunidad que resulten de actividades relacionadas con la minería. Como mínimo, se deberán considerar las siguientes fuentes de riesgos e impactos potenciales a la salud y/o la seguridad de la comunidad:</p> <ul style="list-style-type: none"> <li>a. Operaciones mineras en general;</li> <li>b. Operación con equipos o vehículos mineros en vías públicas;</li> <li>c. Accidentes de operación;</li> <li>d. Falla de elementos estructurales, tales como presas de relaves, embalses, botaderos de roca estéril (ver también el capítulo 4.1 de IRMA);</li> <li>e. Impactos relacionados con la minería en servicios prioritarios del ecosistema;</li> <li>f. Efectos en la demografía de la comunidad relacionados con la minería, incluida la migración interna de trabajadores mineros y de terceras personas;</li> <li>g. Impactos relacionados con la minería sobre la disponibilidad de servicios;</li> <li>h. Materiales y sustancias peligrosas que pudieran ser liberados como resultado de las actividades relacionadas con la minería; y</li> </ul>	

i. Aumento en la prevalencia de enfermedades transmitidas por el agua, basadas o relacionadas con el agua, transmitidas por vectores y enfermedades contagiosas y de transmisión sexual (p. ej., VIH/ SIDA, tuberculosis, malaria, enfermedad por el virus del Ébola u otras) que podrían ocurrir como resultado del proyecto minero.

## Sección 2. Alcance

### Alcance de investigación

Revisión de capacitación y procedimientos, sistemas de gestión.

### Alcance del impacto del hallazgo

Planta Salar, Albemarle.

### Objetivo de la evaluación

El objetivo de esta evaluación es determinar la(s) causa(s) raíz del incidente e identificar acciones o condiciones que podrían prevenir ocurrencias en el futuro con un origen similar, o mitigar el impacto de tales ocurrencias.

### La acción para prevenir la condición, o minimizar el impacto del hallazgo en el futuro es:

Realizar una evaluación completa de los riesgos e impactos a la salud y seguridad de la comunidad.

## Sección 3. Proceso de evaluación

*Documentación del proceso de evaluación, actividades y herramientas utilizadas para determinar la causa raíz del hallazgo.*

Primer por qué	<ul style="list-style-type: none"> <li>Se determinó, en un primer informe puntual, que los riesgos relacionados a impactos de la actividad minera en la demografía de la comunidad, la disponibilidad de servicios y/o la generación de sustancias peligrosas no aplicaban al proyecto.</li> </ul>
Segundo por qué	<ul style="list-style-type: none"> <li>Nuestra operación bombea salmuera desde abajo de la superficie en el núcleo del salar y transfiere esta salmuera a diferentes pozas, donde permanecen por 18 meses y a través de la evaporación precipitan otros minerales. Nuestra operación no usa químicos en este proceso, y a comunidad más cercana está a 30 km de nuestro sitio, por lo tanto, el impacto potencial es limitado. No existe un procedimiento de evaluación establecido para evaluar riesgos relacionados a impactos de la actividad minera en la demografía de la comunidad, ni en disponibilidad de servicios ni de generación de sustancias peligrosas.</li> </ul>
Tercer por qué	<ul style="list-style-type: none"> <li>La legislación chilena considera la evaluación de impacto en demografía y sistemas de vida, pero no considera guías específicas.</li> </ul>
Cuarto Porqué	<ul style="list-style-type: none"> <li>La empresa no tiene un procedimiento específico para evaluar los posibles impactos sobre los sistemas de vida (demografía, disponibilidad de servicios, etc.) de comunidades aledañas</li> </ul>

#### Sección 4. Resumen de Causa(s) Raíz

Resumen de Causa(s) Raíz
Falta de evaluación constante de riesgos relacionados a impactos de la actividad minera en la demografía de la comunidad, disponibilidad de servicios y generación de sustancias peligrosas.

#### Sección 5. Recomendaciones

Indicar una recomendación de plan basado en los hallazgos encontrados durante la evaluación que debiera ser implementado para prevenir hallazgos en el futuro con un origen similar, o mitigar el impacto de tales hallazgos.

Plan de acción
<ul style="list-style-type: none"><li>• Generar un procedimiento que establezca evaluaciones regulares a riesgos relacionados a impactos de la actividad minera en la demografía de la comunidad, disponibilidad de servicios y generación de sustancias peligrosas. Además, de los otros riesgos actualmente identificados.<ul style="list-style-type: none"><li>○ Responsable: Manuel Zamora – Relaciones Comunitarias Planta Salar</li><li>○ Plazo: Septiembre 2023</li></ul></li><li>• Incluir en el procedimiento "<i>Screening, scoping, difusión, socialización y consulta</i>", la variable demografía, afectación de infraestructura e impactos a costumbre, sistemas y calidad de vida de las comunidades, así como los riesgos asociados a derechos humanos.<ul style="list-style-type: none"><li>○ Responsable: Manuel Zamora – Relaciones Comunitarias Planta Salar</li><li>○ Plazo: Septiembre 2023</li></ul></li><li>• Generar un procedimiento para evaluar dicho impacto cuando haya sido identificado en el screening o scoping de cualquier modificación de proyecto o en las actividades de los planes de cierre.<ul style="list-style-type: none"><li>○ Responsable: Manuel Zamora – Relaciones Comunitarias Planta Salar</li><li>○ Plazo: Diciembre 2023</li></ul></li></ul>

## Root Cause Analysis Report

### <Requirement 4.1.4.1.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
<b>Research team</b>	
<ul style="list-style-type: none"> <li>- Catalina Orb, Environmental Sustainability Manager</li> <li>- Ignacio Toro, Environmental Manager</li> <li>- Felipe Rodríguez, Environmental Head Salar Plant</li> </ul>	
<b>Method of analysis</b>	
"5 Whys analysis"	
<b>Reference document</b>	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
<b>Description of the finding in the IRMA audit report</b>	
Evidence provided indicates that a rigorous risk assessment on the mine waste facilities has been included in the most recent version of the closure plan and of the ESIA; however, a risk assessment associated with the domestic water treatment plant or the hazardous waste storage area could not be found.	
<b>Summary of the finding</b>	
The risk assessment related to site waste is oriented to the health and safety of the site, rather than the environment.	
<b>Supporting information: description of the requirement</b>	
<p>Chapter 4.1. Waste and Materials Management - Criteria 4.1.4. Waste Facility Assessment - Critical Requirement 4.1.4.1. A risk-based approach to mine waste assessment and management shall be implemented that includes:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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</li> <li>d. Documented risk assessments reports, updated when risks assessments are revised (as per 4.1.4.1. subsection c).</li> </ul>	

## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

Conduct an environmental risk assessment of the mining activity.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why	<ul style="list-style-type: none"> <li>The dangerous waste storage sector is not included in the physical-chemical stability analyses of the closure plans.</li> </ul>
Second Why	<ul style="list-style-type: none"> <li>No relevant risks associated with the storage of dangerous waste have been identified, neither is there any detailed analysis of the physical-chemical risks of all the company's facilities.</li> </ul>
Third Why	<ul style="list-style-type: none"> <li>The legislation establishes that a physical-chemical analysis of all facilities must be performed at the time of closure. However, dangerous waste facilities may present additional risks during their operation.</li> </ul>
Fourth Why	<ul style="list-style-type: none"> <li>No relevant risks were observed and it was not a priority to have third-party auditable procedures for risks considered minor.</li> </ul>

#### Section 4. Root Cause(s) Summary

Root Cause(s) Summary
Lack of regular risk assessment related to the impact of mining activities on the environment, although no relevant risks are observed.

#### Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.

Recommendations
<ul style="list-style-type: none"><li>• Evaluate the frequency with which a specialized external periodic evaluation of all physical-chemical risks, that may occur during the operation, should be carried out, and that they be systematized together with all the risks identified for the abandonment stage in the closure plans.<ul style="list-style-type: none"><li>○ Responsible: Felipe Rodríguez</li><li>○ Deadline: July 2023</li></ul></li></ul>

## Root Cause Analysis Report

### <Requirement 4.1.5.6.– IRMA Audit>

#### Section 1. General Information

Name of research owner	Date of analysis
Daniela Orellana, Environmental Sustainability Engineer	April 2023
Research team	
<ul style="list-style-type: none"> <li>- Catalina Orb, Environmental Sustainability Manager</li> <li>- Ignacio Toro, Environmental Manager</li> <li>- Felipe Rodríguez, Environmental Head Salar Plant</li> </ul>	
Method of analysis	
"5 Whys analysis"	
Reference document	
IRMA audit report on the Salar Plant, conducted by ERM-CVS. MINE SITE ASSESSMENT PUBLIC SUMMARY REPORT. MINE SITE: PLANTA SALAR DE ATACAMA. MARCH 2023.	
Description of the finding in the IRMA audit report	
Evidence provided shows that the organization conducts internal inspections and external audits on the mine components such as the stockpiles. Anomalies identified are included in an action plan where their correction is monitored. However, performance objectives have not been set yet.	
Summary of the finding	
No mine waste management performance targets have been established.	
Supporting information: description of the requirement	
<p>Chapter 4.1. Waste and materials management - Criteria 4.1.5. Risk mitigation and management of mine waste management facilities - Critical Requirement 4.1.5.6. On a regular basis, the operating company shall evaluate the performance of mine waste facilities to:</p> <ul style="list-style-type: none"> <li>a. Assess whether performance objectives are being met (see 4.1.4.2 subsection a and 4.1.5.5);</li> <li>b. Assess the effectiveness of risk management measures, including critical controls (see 4.1.5.3);</li> <li>c. Inform updates to the risk management process (see 4.1.4.1.c) and the OMS (see 4.1.5.7); and</li> <li>d. Inform the management review to facilitate continual improvement (see 4.1.5.8).</li> </ul>	

## Section 2. Scope

### Scope of research

Review of training and procedures, management systems.

### Scope of impact of the finding

Salar Plant, Albemarle.

### Objective of the evaluation

The objective of this assessment is to determine the root cause(s) of the incident and identify actions or conditions that could prevent future occurrences with a similar origin or mitigate the impact of such occurrences.

### Action to prevent the condition, or minimize the impact of the finding in the future is:

Establish performance objectives (KPIs) related to site waste management.

## Section 3. Evaluation Process

*Documentation of the evaluation process, activities and tools used to determine the root cause of the finding.*

First Why	
	<ul style="list-style-type: none"> <li>• There are no waste performance targets for the mining activity carried out at the site because the mining waste corresponds to salts that do not generate environmental impacts and are very low in volume and quantity.</li> </ul>
Second Why	
	<ul style="list-style-type: none"> <li>• There are corporate goals to reduce waste generation, but without a breakdown. Therefore, there is no procedure with roles, responsibilities and resources for this purpose.</li> </ul>

## Section 4. Root Cause(s) Summary

### Root Cause(s) Summary

Lack of performance targets (KPIs) related to site waste management by waste type, including salts generated.

## Section 5. Recommendations

Indicate a recommended plan based on the findings found during the assessment that should be implemented to prevent future findings of similar origin or mitigate the impact of such findings.



Recommendations
<ul style="list-style-type: none"><li>• Establish performance targets and KPIs for each operation related to salt reserves (e.g.: decrease the number of finds each year) and follow up on a semi-annual basis.<ul style="list-style-type: none"><li>○ Responsible: Felipe Rodríguez</li><li>○ Deadline: December 2023</li></ul></li><li>• Generate targets and KPIs for the reduction of all types of waste.<ul style="list-style-type: none"><li>○ Responsible: Felipe Rodríguez</li><li>○ Deadline: December 2023</li></ul></li></ul>

**Source:** Initiative for Responsible Mining Assurance

June 20, 2023 06:30 ET

## Measuring responsibility: How do we assess the mines supplying the renewable energy transition?

**In Chile, the first lithium mine in the world has completed an independent audit under the rigorous standard set by the Initiative for Responsible Mining Assurance (IRMA). Such audits, by reviewing mines' performance with transparent notice and opportunities for public engagement, help foster dialogue on further improvements companies can make to support those affected by their operations.**

Port Townsend, June 20, 2023 (GLOBE NEWSWIRE) -- Responding to global pressure for greater transparency around the sourcing of raw materials, the Salar de Atacama lithium mine operated by Albemarle Corporation in Chile has released an [independent audit report on its performance against concrete measures of social and environmental impact](#).

Conducted against the best-practice standard established by the Initiative for Responsible Mining Assurance (IRMA), the audit is the first to be completed at a mine that supplies lithium — a key component of electric vehicle batteries and one of the principal mined materials enabling the transition to a renewable energy economy.

IRMA oversees the only independent, comprehensive process for assessing individual mines' performance against an equally governed, consensus-based standard — and for measuring their subsequent progress in reducing social and environmental harm. The rigorous IRMA process invites all those currently or potentially affected by a mine to share their experiences and perspectives with the auditing team.

Developed through a decade of public consultations, with input from more than 100 companies and organizations, the IRMA Standard and assessment process recognize the concerns of Indigenous rights holders, communities and mine workers, as well as environmental and human rights advocates and other representatives of civil society. The independent IRMA system is the only global mining standard that gives such groups an equal voice alongside mining companies, mined materials purchasers and investors.

Albemarle's Salar de Atacama operation scored an IRMA 50 performance level, meaning the independent audit firm ERM-CVS verified that the mine met all critical requirements of the IRMA Standard, as well as at least 50% of the Standard's criteria in each of the four areas: social responsibility, environmental responsibility, business integrity and planning for positive legacies. The full audit report is available at [responsiblemining.net](https://responsiblemining.net).

Albemarle's Salar de Atacama joins 12 other industrial-scale mines worldwide that are undergoing independent audits against the IRMA Standard in 2023. 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.

**“The information stakeholders need to decide what's going well — and what may require more attention.”**

“This report demonstrates that mines supplying materials essential to the renewable energy transition can now point to transparent, independent evaluations of their environmental and social performance,” said **Aimee Boulanger, Executive Director of IRMA**. “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 what may require more attention — at specific mines.”

As the IRMA Standard is recognized and adopted around the globe, these audits are just the first steps in a deepening dialogue between mining companies and those affected by their operations. And because the process is still evolving, IRMA cautions that the initial results should be reviewed and interpreted accordingly.

“The IRMA Standard is relatively new,” Ms. Boulanger said. “It’s an unfamiliar process for companies that volunteer to be audited, and even our accredited auditors are still learning. The same is true for community members and workers who are interviewed as part of the process, some of whom may not yet feel comfortable engaging. So the Salar de Atacama audit report needs to be read with this in mind. We applaud Albemarle for stepping forward to be among the first mines audited against such comprehensive and demanding criteria.”

The report also provides an honest accounting of IRMA’s own progress as the Standard and assessment process continue to mature. “If the results don’t fully reflect the experience of communities, Indigenous rights holders or other affected groups, we want to hear from them,” Ms. Boulanger said. “We’ll help them communicate with the company to better understand its performance, 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 next stage in our continuous improvement journey”**

An assessment under the IRMA Standard is not a one-time, pass/fail evaluation. Participating mines embark on a step-by-step process, beginning with a thorough self-assessment and moving on through a third-party audit with transparent disclosure.

“The auditors’ report provides an independent, evidence-based report card on our progress as a socially and environmentally responsible company,” said **Ellen Lenny-Pessagno, Global Vice President, External Affairs and Sustainability, with Albemarle Corporation**. “It will also help us set future goals as we collaborate with everyone affected by our business activities to do even better at our Salar de Atacama mine site. This is a first step, which we are replicating at our other mine sites, and will positively support Albemarle and our industry to meet the challenges and explore the tremendous opportunities of mining more sustainably.”

### **Learn more at a Webinar Q&A**

- Wednesday, Jun 21, 11am Chile time (EDT)
- Speakers: IRMA Executive Director Aimee Boulanger, and Assurance Director Michelle Smith
- Topics will include: The IRMA process, how this independent audit occurred, how stakeholders can use this audit report
- [Register here](#)

### **For More Information:**

- Alan Septoff, +1.301.202.1445, [aseptoff@responsiblemining.net](mailto:aseptoff@responsiblemining.net)
- [IRMA Salar de Atacama mine assessment page](#)
- [IRMA Mine Site Assessment Public Summary Report of Albemarle’s Planta Salar de Atacama lithium operation](#)
- [Executive Summary](#)
- Brief backgrounder: [The IRMA independent mine assessment process](#)

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# Questions & Answers

## Albemarle's Atacama lithium mine

### Does this audit report mean that Albemarle's mine is certified as a "responsible mine"?

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 have more transparent conversation on the impacts, at a table where civil society and labor have voice equal to the private sector, and which seeks to create greater value to reduce harm.

In doing this audit, Albemarle has volunteered 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 increasing dialogue across diverse stakeholder sectors and with Indigenous rights holders.

IRMA doesn't use the word "sustainable" but rather focuses on bringing attention to best practices for more responsible mining practices, and also incentives for reducing waste, supporting circular economy, addressing inequity in the use and benefits of mined materials, and supporting innovation that reduces the need for new extraction.

### What does IRMA Transparency mean? What do IRMA 50 and IRMA 75 mean?

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 mean a mine has been independently audited and met 50% or 75% of the requirements 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 or IRMA 75 must meet all of IRMA's critical requirements.

### What are the next steps for Albemarle and for IRMA?

With this independent, third-party verified information, a new opportunity is created for a conversation between the mine, area residents, workers, customers, investors and other stakeholders to explore priorities for improvement. Albemarle's Salar de Atacama mine will need to be audited again in three years to maintain recognition in IRMA, with an interim surveillance audit in the next 18 months. The mine can choose to be audited sooner if it would like to demonstrate verified improvements more quickly.

### When will we see audit reports from other mines?

Mines being audited can wait up to a year after receiving the draft audit report -- if they choose to implement corrective actions, and have them verified by auditors, before sharing audit findings publicly. At the end of the 12-month period, IRMA releases their reports whether or not improvements have been made.

## 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.

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

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

If you have questions about the mining operation practices, we encourage you to contact the mining company directly: [Ellen.Lenny-Pessagno@albemarle.com](mailto:Ellen.Lenny-Pessagno@albemarle.com). Part of IRMA engagement is increasing direct dialogue and information sharing between mining companies and diverse stakeholders and Indigenous rights holders.

If you have questions about the process that auditors followed or the evidence they reviewed, contact ERM CVS for more insights on the audit process: [post@ermcvs.com](mailto:post@ermcvs.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.

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

Find contact information for all parties on the IRMA website at <https://bit.ly/IRMA-Albemarle-Audit>

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

The information in this audit report represents the work of an 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 encouragement of workers and community members to participate in the audit.

Auditors review thousands of pages of documents shared by the company, spend several days on site of the mining operation, and speak with workers, community members and Indigenous rights holders without the company present. However, this does not mean all of the information in the audit report is complete, accurate or represents the perspectives of all people. The IRMA system is new, mining companies are still learning expectations, auditors are still learning how to measure achievement, and IRMA leaders are working to improve in real time.

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://bit.ly/IRMA-Albemarle-Audit>.

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 direct communication increases between mining companies and the people most affected by their operations.

**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 greater risk for us?**

Trust is deeply broken between many mining companies and the stakeholders 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.

A voluntary initiative like IRMA can never replace the critical role of laws and government oversight. Increasingly, national governments and international institutions are seeking increased transparency in mineral supply chains, so an effort to engage in independent audits now can help companies to meet not only civil society and labor requests, but mandatory expectations for improved practices

**Many stakeholders 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 the two firms approved to do IRMA audits are aware of deep distrust of auditors and the audit process. In many cases, what has historically been described as "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 a number of ways:

To date, IRMA has approved, trained and worked closely with just two firms (Applications for new firms to join are now 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 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 a number of strict requirements associated with maintaining impartiality and managing conflict of interest. These include prohibiting such audit firms from also providing consulting or internal auditing services to a site being audited, requirements to assess risks to impartiality and procedures to protect against conflict of interest, and recommendations for prohibiting certain relationships for a period of time prior to providing auditing services. Accredited audit firms are assessed annually by their accreditation body, and management of conflict of interest is a key component of this assessment. Audit firms that fail to properly manage and preserve impartiality risk losing their accreditation and therefore their ability to provide third party auditing.

**Why would a mining company agree to do a rigorous audit like IRMA? Do they think they can control the process and influence auditors?**

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 the specific improvements sought by those most affected by their operations.



## 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.

## How can purchasers of mined materials, like a car maker, or investors in mining companies use, the Albemarle audit report? 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 materials they buy or companies in which they invest. We encourage purchasers and investors to take an in-depth look at audit reports to understand the scores and performance for each chapter. No voluntary initiative's results replace the expectations expressed by the OECD and other international institutions for purchasers and investors to do their own due diligence to understand risks in the supply chain and to be active participants to reduce harm.

In being audited, Albemarle 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 Albemarle has made to be audited and can encourage further dialogue between the company and its stakeholders and Indigenous rights holders.

In terms of specific sourcing claims, IRMA has a new draft Chain of Custody Standard which will be released in 2023 for public review and comment. When finalized, this standard will provide a way to independently audit a purchaser's supply chain and ensure claims of responsible sourcing can be verified.

### For more information

Aimee Boulanger, Executive Director  
Initiative for Responsible Mining Assurance (IRMA)  
[contact@responsiblemining.net](mailto:contact@responsiblemining.net)  
Or visit [responsiblemining.net](https://responsiblemining.net)

JUNE 2023

# Background IRMA's process Mine assessment

## 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](https://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](mailto:issues@responsiblemining.net).
- For queries about the IRMA Standard and its requirements — what we're measuring and why — please contact [info@responsiblemining.net](mailto:info@responsiblemining.net).

### For more information

Aimee Boulanger, Executive Director  
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Or visit [responsiblemining.net](https://responsiblemining.net)

JUNE 2023

# Civil society Assessment update Albemarle's lithium mine

## A landmark report from Chile: the first IRMA audit of a lithium mine

The Salar de Atacama mine operated by Albemarle Corporation in Chile is the first lithium in the world to complete an independent assessment of its performance against the rigorous, best-practice standard set by the Initiative for Responsible Mining Assurance (IRMA).

- The detailed third-party audit report responds to growing pressure for greater accountability among mines supplying lithium — a key component of electric vehicle batteries — and other materials that enable the transition to a renewable energy economy.
- IRMA oversees the only comprehensive, independent process for assessing individual mines' performance against an equally governed, best-practice standard — and for measuring their subsequent progress in reducing social and environmental harm.
- The rigorous IRMA auditing process provides opportunities for all those affected by a mine, including local community members and workers, to share their experiences and perspectives with the auditing team. By reviewing mines' performance with full transparency, such audits help foster dialogue on further improvements that companies can make to support those affected by their operations..

## An independent, transparent audit process

- After an initial self-assessment, a participating mine engages a third-party auditing firm — trained and approved by IRMA — to conduct a detailed independent evaluation against the IRMA Standard, including on-site visits to the mine and nearby communities.
- Albemarle's Salar de Atacama operation scored an IRMA 50 performance level, meaning the independent audit firm ERM-CVS verified that the mine met all critical requirements of the IRMA Standard, as well as at least 50% of the Standard's criteria in four areas: social responsibility, environmental responsibility, business integrity and planning for positive legacies. The full audit report is available at [responsiblemining.net](https://responsiblemining.net).
- Salar de Atacama joins 12 other industrial-scale mines worldwide that are undergoing independent audits against the IRMA Standard in 2023.

## Key takeaways for communities, labor groups and NGOs

- The audit report gives communities, Indigenous rights holders, mine workers, NGOs and other representatives of civil society a framework for dialogue with the mining company.
- Concrete findings against the best-practice IRMA Standard support and advance efforts to evaluate the mine's impact, seek accountability and advocate for improvements.

- Audit results also provide a greater base of independently verified evidence for civil society representatives, Indigenous rights holders and labor advocates. They can use the results to pursue deeper conversations with purchasers of mined materials, as well as investors in the mining company, on the need to pressure for improvements — or, where warranted, to withdraw support for mine development or operations.
- The report includes guidance on how to provide feedback to the mining company and the auditing firm via the IRMA issues resolution process and online complaint form.

### Aimee Boulanger, IRMA's Executive Director, on the report's significance

"Mines supplying materials essential to the renewable energy transition can now point to transparent, independent evaluations of their environmental and social performance. 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 what may require more attention — at specific mines.

The IRMA Standard is relatively new. It's an unfamiliar process for companies that volunteer to be audited, and even our accredited auditors are still learning. The same is true for community members and workers who are interviewed as part of the process, some of whom may not yet feel comfortable engaging. So the Salar de Atacama audit report needs to be read with this in mind. We applaud Albemarle for stepping forward to be among the first mines audited against such comprehensive and demanding criteria.

If the results don't fully reflect the experience of communities, Indigenous rights holders or other affected groups, we want to hear from them. We'll help them communicate with the company to better understand its performance, 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."

### Albemarle's perspective on the audit's strategic importance

"The auditors' report provides an independent, evidence-based report card on our progress as a socially and environmentally responsible company. It will also help us set future goals as we collaborate with everyone affected by our business activities to do even better — and as our industry meets the challenges, and explores the tremendous opportunities, of mining more sustainably."

— Ellen Lenny-Pessagno, Global Vice President, External Affairs and Sustainability, Albemarle Corporation

### More on the IRMA Standard and assessment process

- Developed through a decade of public consultations, with input from more than 100+ companies and organizations, the IRMA Standard and assessment process recognize the concerns of Indigenous rights holders, communities and mine workers, as well as environmental and human rights advocates and other representatives of civil society. The independent IRMA system is the only global mining standard that gives such groups an equal voice alongside mining companies, materials purchasers and investors.
- An assessment under the IRMA Standard is not a one-time, pass/fail evaluation. Participating mines embark on a step-by-step process, beginning with a thorough self-assessment and moving on through a third-party audit with transparent disclosure.
- As the IRMA Standard is recognized and adopted around the globe, these audits are just the first steps in a deepening dialogue between mining companies and those affected by their operations. And because the process is still evolving, the initial results should be reviewed and interpreted accordingly.
- See also our brief background paper: "The IRMA independent mine assessment process."

### For more information

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JUNE 2023

# Investors / Purchasers Assessment update Albemarle's lithium mine

## A landmark report from Chile: the first IRMA audit of a lithium mine

The Salar de Atacama mine operated by Albemarle Corporation in Chile is the first lithium in the world to complete an independent assessment of its performance against the rigorous, best-practice standard set by the Initiative for Responsible Mining Assurance (IRMA).

- The detailed third-party audit report responds to growing pressure for greater accountability among mines supplying lithium — a key component of electric vehicle batteries — and other materials that enable the transition to a renewable energy economy.
- IRMA oversees the only comprehensive, independent process for assessing individual mines' performance against an equally governed, best-practice standard — and for measuring their subsequent progress in reducing social and environmental harm.
- The rigorous IRMA process provides opportunities for all those affected by a mine, including local community members and workers, to share their experiences and perspectives with the auditing team. By reviewing mines' performance with full transparency, such audits help foster dialogue on further improvements that companies can make to support those affected by their operations.

## An independent, transparent audit process

- After an initial self-assessment, a participating mine engages a third-party auditing firm — trained and approved by IRMA — to conduct a detailed independent evaluation against the IRMA Standard, including on-site visits to the mine and nearby communities.
- Albemarle's Salar de Atacama operation scored an IRMA 50 performance level, meaning the independent audit firm ERM-CVS verified that the mine met all critical requirements of the IRMA Standard, as well as at least 50% of the Standard's criteria in four areas: social responsibility, environmental responsibility, business integrity and planning for positive legacies. The full audit report is available at [responsiblemining.net](https://responsiblemining.net).
- Salar de Atacama joins 12 other industrial-scale mines worldwide that are undergoing independent audits against the IRMA Standard in 2023.

## Key takeaways for investors and purchasers of mined materials

- The audit report demonstrates a mining company's commitment to transparency, accountability and analytical rigor in volunteering to be independently evaluated against the best-practice IRMA Standard.
- The third-party audit firm's evidence-based findings provide a detailed picture of current performance and a benchmark for gauging future improvements.

- The report details the company's efforts in light of customer and investor expectations, government and regulatory requirements, and legal compliance.
- An independent audit report provides a framework for dialogue with communities, Indigenous rights holders, mine workers, NGOs and other representatives of civil society, helping the mining company build credibility and trust in pursuing its business goals.

### Aimee Boulanger, IRMA's Executive Director, on the report's significance

"Mines supplying materials essential to the renewable energy transition can now point to transparent, independent evaluations of their environmental and social performance. 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 what may require more attention — at specific mines.

The IRMA Standard is relatively new. It's an unfamiliar process for companies that volunteer to be audited, and even our accredited auditors are still learning. The same is true for community members and workers who are interviewed as part of the process, some of whom may not yet feel comfortable engaging. So the Salar de Atacama audit report needs to be read with this in mind. We applaud Albemarle for stepping forward to be among the first mines audited against such comprehensive and demanding criteria.

If the results don't fully reflect the experience of communities, Indigenous rights holders or other affected groups, we want to hear from them. We'll help them communicate with the company to better understand its performance, 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."

### Albemarle's perspective on the audit's strategic importance

"The auditors' report provides an independent, evidence-based report card on our progress as a socially and environmentally responsible company. It will also help us set future goals as we collaborate with everyone affected by our business activities to do even better — and as our industry meets the challenges, and explores the tremendous opportunities, of mining more sustainably."

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### More on the IRMA Standard and assessment process

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- An assessment under the IRMA Standard is not a one-time, pass/fail evaluation. Participating mines embark on a step-by-step process, beginning with a thorough self-assessment and moving on through a third-party audit with transparent disclosure.
- As the IRMA Standard is recognized and adopted around the globe, these audits are just the first steps in a deepening dialogue between mining companies and those affected by their operations. And because the process is still evolving, the initial results should be reviewed and interpreted accordingly.
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JUNE 2023

# IRMA Mine Assessment Update

## A landmark report from Chile: the first IRMA audit of a lithium mine

The Salar de Atacama mine operated by Albemarle Corporation in Chile is the first lithium mine in the world to complete an independent assessment of its performance against the rigorous, best-practice standard set by the Initiative for Responsible Mining Assurance (IRMA).

### IRMA's report components:

- **The detailed third-party audit** report responds to growing pressure for greater accountability among mines supplying lithium — a key component of electric vehicle batteries — and other materials that enable the transition to a renewable energy economy.
- **IRMA oversees the only comprehensive,** independent process for assessing individual mines' performance against an equally governed, best-practice standard — and for measuring their subsequent progress in reducing social and environmental harm.
- **The rigorous IRMA process** provides opportunities for all those affected by a mine, including local community members and workers, to share their experiences and perspectives with the auditing team. By reviewing mines' performance with full transparency, such audits help foster dialogue on further improvements that companies can make to support those affected by their operations.

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- Salar de Atacama joins 12 other industrial-scale mines worldwide that are undergoing independent audits against the IRMA Standard in 2023.

## Key takeaways for mining companies

- An independent audit report provides the mining company with a framework for dialogue with affected communities, Indigenous rights holders, mine workers, NGOs and other representatives of civil society, helping to build credibility and trust.
- In contexts where various parties step forward to speak on behalf of a community, the report provides an independent, impartial account of consultations to date and the audit firm's reflection of what they heard regarding community priorities, issues, work in progress and outcomes.



- Concrete, transparent findings against the best-practice IRMA Standard give a detailed picture of current performance and a benchmark for gauging future improvements.
- The report demonstrates the company's efforts to protect social and environmental values in light of customer and investor expectations, government and regulatory requirements, and legal compliance.

### Aimee Boulanger, IRMA's Executive Director, on the report's significance

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