



Initiative for Responsible  
Mining Assurance

## Excerpt from the DRAFT Standard for Responsible Mining and Mineral Processing 2.0

### Chapter 1.1 – Legal Compliance

#### Context & Disclaimer on IRMA DRAFT Standard 2.0

IRMA DRAFT Standard for Responsible Mining and Minerals Processing 2.0 is being released for public consultation, inviting the world to join in a conversation around expectations that drive value for greater environmental and social responsibility in mining and mineral processing.

This draft document invites a global conversation to improve and update the 2018 IRMA Standard for Responsible Mining Version 1.0. It is not a finished document, nor seeking final review, but rather is structured to invite a full range of questions, comments and recommendations to improve the IRMA Standard.

This IRMA DRAFT Standard for Responsible Mining and Minerals Processing (v.2.0) has been prepared and updated by the IRMA Secretariat based on learnings from the implementation of the Standard (v.1.0), experience from the first mines independently audited, evolving expectations for best practices in mining to reduce harm, comments and recommendations received from stakeholders and Indigenous rights holders, and the input of subject-specific expert Working Groups convened by IRMA in 2022.

IRMA's Standard has a global reputation for comprehensive in-depth coverage addressing the range of impacts, as well as opportunities for improved benefit sharing, associated with industrial scale mining. This consultation draft proposes a number of new requirements; some may wonder whether IRMA's Standard already includes too many requirements. The proposed additions are suggested for a range of reasons (explained in the text following), including improving auditability by separating multiple expectations that were previously bundled into a single requirement, addressing issues that previously weren't sufficiently covered (e.g. gender, greenhouse gas emissions), and providing more opportunities for mining companies to receive recognition for efforts to improve social and environmental protection.

Please note, expert Working Groups were created to catalyze suggestions for solutions on issues we knew most needed attention in this update process. They were not tasked to come to consensus nor make formal recommendations. Their expertise has made this consultation document wiser and more focused, but work still lies ahead to resolve challenging issues. We encourage all readers to share perspectives to improve how the IRMA system can serve as a tool to promote greater environmental and social responsibility, and create value for improved practices, where mining and minerals processing happens.

The DRAFT Standard 2.0 is thus shared in its current form to begin to catalyze global conversation and stakeholder input. It does not represent content that has been endorsed by IRMA's multistakeholder Board of Directors. IRMA's Board leaders seek the wisdom and guidance of all readers to answer the questions in this document and inform this opportunity to improve the IRMA Standard for Responsible Mining.

IRMA is dedicated to a participatory process including public consultation with a wide range of affected people globally and seeks feedback, comments, questions, and recommendations for improvement of this Standard. IRMA believes that diverse participation and input is a crucial and determining factor in the effectiveness of a Standard that is used to improve environmental and social performance in a sector. To this end, every submission received will be reviewed and considered.

The DRAFT Standard 2.0 is based on content already in practice in the IRMA Standard for Responsible Mining Version 1.0 (2018) for mines in production, combined with the content drafted in the IRMA Standard for Responsible Mineral Development and Exploration (the 'IRMA-Ready' Standard – Draft v1.0 December 2021) and in the IRMA Standard for Responsible Minerals Processing (Draft v1.0 June 2021).

# Chapter Structure

## BACKGROUND

Each chapter has a short introduction to the issue covered in the chapter, which may include an explanation of why the issue is important, a description of key issues of concern, and the identification of key aspects of recognized or emerging best practice that the standard aims to reflect.

## OBJECTIVES/INTENT STATEMENT

A description of the key objectives that the chapter is intended to contribute to or meet.

## SCOPE OF APPLICATION

A description of the conditions under which the chapter may or may not be relevant for particular mines or mineral processing sites. If the entity can provide evidence that a chapter is not relevant, that chapter will not need to be included in the scope of the IRMA assessment. A requirement is 'not relevant' if the issue to which a requirement relates is not applicable at the site. For example, requirements related to the use of cyanide would not be relevant at a site at which cyanide is never used.

### TERMS USED IN THIS CHAPTER

This is a list of the terms used in the chapter ■ Each term is separated with ■

*Terms listed here are identified in the chapter with a dashed underline. And they are defined in the [Glossary of Terms](#) at the end of the chapter.*

## Chapter Requirements

### X.X.X. These are criteria headings

X.X.X.X. And these are the requirements that must be met for an IRMA assessment to be issued and subsequently maintained by a site. Most criteria have more than one requirement. All requirements must be met in order to comply fully with the criterion.

- a. Some requirements consist of hierarchical elements:
  - i. At more than one level.
  - ii. Operations may be required to meet all elements in a list, or one or more of the elements of such a list, as specified.

### NOTES

Any additional notes related to the chapter and its requirements are explained here.

### GLOSSARY OF TERMS USED IN THIS CHAPTER

Terms used in the chapter are defined here.

### ANNEXES AND TABLES

Annexes or Tables are found here.

## IRMA Critical Requirements

The 2018 IRMA Standard for Responsible Mining v. 1.0 includes a set of requirements identified as being critical requirements. Operations being audited in the IRMA system must at least substantially meet these critical requirements in order to be recognized as achieving the achievement level of IRMA 50 and higher, and any critical requirements not fully met would need to have a corrective action plan in place describing how the requirement will be fully met within specified time frames.

The 2023 updates to the 2018 Standard may edit some critical requirements in the process of revising and therefore there will be a further review specific to the language and implications of critical requirements that follows the overall Standard review.

## Associated Documents

**This document is an extract of the full DRAFT IRMA FOR RESPONSIBLE MINING AND MINERAL PROCESSING (Version 2.0) – DRAFT VERSION 1.0, released in October 2023 for a public-comment period. The English-language full version should be taken as the definitive version. IRMA reserves the right to publish corrigenda on its web page, and readers of this document should consult the corresponding web page for corrections or clarifications.**

Readers should note that in addition to the DRAFT Standard, there are additional policies and guidance materials maintained in other IRMA documents, such as IRMA’s Principles of Engagement and Membership Principles, IRMA Guidance Documents for the Standard or specific chapters in the Standard, IRMA Claims and Communications Policy and other resources. These can be found on the IRMA website in the Resources section. Learn more at [responsiblemining.net](https://responsiblemining.net)

## Comment on the IRMA Standard

Comments on the IRMA Standard and system are always welcome.

They may be emailed to IRMA at: [comments@responsiblemining.net](mailto:comments@responsiblemining.net)

Additional information about IRMA is available on our website: [responsiblemining.net](https://responsiblemining.net)

# Chapter 1.1

## Legal Compliance

**NOTES ON THIS CHAPTER:** Changes have been made to improve auditability, and to streamline requirements (by combining them).

### Proposed additions and changes:

- Requirement to have a system in place to identify and track compliance (1.1.1.1)
- More details on contractor compliance (1.1.3.1)
- Addition that the provision of regulatory compliance information to stakeholders be included in a policy (1.1.4.2)

### Glossary:

- We are proposing new/revised definitions for several glossary terms. The 'Terms Used In This Chapter' box shows which terms are new, and the proposed definitions can be found in the glossary at the end of the chapter requirements. The full glossary is at the end of the document. Feedback on definitions is welcome.

## BACKGROUND

Compliance with applicable host country laws is one of the most basic principles of operating a mine, or any activity, in a given jurisdiction. As an international best practice standard IRMA's requirements may also contain provisions that are more stringent or demanding than the minimum legal requirements specified at the national level in a particular country.

This chapter seeks to ensure that the IRMA Standard supports and complements compliance with international and national laws and regulations. It is based on five precepts:

- Compliance with host country laws and permits;
- Compliance with the IRMA Standard and requirements;
- Compliance with the most protective of host country or IRMA requirements;
- Compliance with the host country law when there is a direct conflict with an IRMA requirement; and
- Maintenance of records to document and demonstrate compliance with host country requirements and the IRMA Standard.

### TERMS USED IN THIS CHAPTER

■ Associated Facility ■ Confidential Business Information ■ Contractor ■ Entity **NEW** ■ Exploration **NEW** ■ Host Country Law ■ Mining **NEW** ■ Mineral Processing **NEW** Operation **NEW** ■ Project **NEW** ■ Root Cause Analysis **NEW** ■ Stakeholder ■

*These terms appear in the text with a dashed underline. For definitions see the Glossary of Terms at*

## OBJECTIVES/INTENT OF THIS CHAPTER

To promote compliance with the laws and regulations of the country in which the project/operation takes place, and exceedance of host country laws in a manner consistent with best practices to protect human rights, health, safety, and the environment.

**NOTE ON OBJECTIVES:** A few minor changes to the wording of the objectives.

## SCOPE OF APPLICATION

RELEVANCE: This chapter is applicable to all exploration, mining and mineral processing projects and operations.

**NOTE ON SCOPE OF APPLICATION:** This proposed version of the IRMA Standard is meant to apply to exploration, mining, and mineral processing projects and operations (see definitions of project and operation), but not all requirements will be relevant in all cases. We have provided some high-level information below, but the IRMA Secretariat will produce a detailed Scope of Application for each chapter that will indicate relevancy on a requirement-by-requirement basis (and will provide some normative language where the expectations may slightly differ for proposed projects versus operations, or for mining versus mineral processing, etc.).

## CRITICAL REQUIREMENTS IN THIS CHAPTER

The entity carries out business in a manner that complies with host country laws and protects human rights, health, safety, and the environment (1.1.1.2).

**NOTE ON CRITICAL REQUIREMENTS:** The 2018 IRMA Standard includes a set of requirements identified as being critical. Projects/operations being audited in the IRMA system must at least substantially meet all critical requirements in order to be recognized at the achievement level of IRMA 50 and higher, and any critical requirements not fully met need a corrective action plan for meeting them within specified time frames.

**INPUT WELCOME:** The proposed revisions to the 2018 Standard have led to new content, as well as edits of some critical requirements in the process. Therefore, there will be a further review of the language and implications of critical requirements prior to the release of a final v.2.0 of the IRMA Standard. During this consultation period we welcome input on any existing critical requirement, as well as suggestions for others you think should be deemed critical. A rationale for any suggested changes or additions would be appreciated.

# Legal Compliance Requirements

## 1.1.1. Compliance with Host Country Laws

1.1.1.1. A system is in place to:

- a. Identify and document all host country laws (including local, regional, and national regulations, permits, permit conditions, and licenses) that are applicable to the project/operation, including associated facilities;
- b. Identify and document all regulatory reporting and payment obligations (e.g., taxes, fees);
- c. Identify and document all regulatory and legal actions related to the project/operation including fines, penalties, notices of violation, legal disputes or lawsuits; and
- d. Monitor and document the status of compliance with host country laws, reporting obligations and legal actions.

**NOTE FOR 1.1.1.1: NEW** and integrates requirement 1.1.5.1 from 2018 Mining Standard.

We are proposing to add this requirement to make it clear that entities are responsible for demonstrating that they have systems in place to know their legal obligations and track if they are maintaining compliance with those obligations. It integrates the previous requirement 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” since such record-keeping is part of maintaining a compliance monitoring system.

#### 1.1.1.2. (Critical Requirement)

Business is conducted in a manner that complies with all applicable host country laws<sup>1</sup> and protects human rights, health, safety, and the environment. In the rare instances where complying with an IRMA requirement would cause a breach of host country law, the entity meets the intent of the IRMA requirement to the extent feasible without violating the law.<sup>2</sup>

**NOTE FOR 1.1.1.2:** This requirement combines 1.1.1.1 and 1.1.2.1 from the 2018 Mining Standard. This was a critical requirement in the 2018 Standard (for more on critical requirements see the note that accompanies ‘Critical Requirements In This Chapter,’ above).

This requirement makes it clear that legal compliance is expected both related to running the business (such as required financial filings, tax payments and reporting to the government) as well as carrying out the physical activities of the operation itself (environmental, land-use permissions, occupational health and safety, labor, human rights, social, etc.).

While adherence to laws should be a fundamental expectation of any business anywhere, we also recognize that large industrial mining and mineral processing operations are complex and subject to a large number of laws, regulations and permits. As a result, most mines and mineral processing facilities are likely to experience non-compliance with regulatory requirements at some point in time (e.g., failure to renew permits on time, or occasional exceedances of permit conditions for air or water quality). There will be some non-compliance issues that do not pose a significant threat, to health, safety, or the environment.

Thus, we have added that in addition to carrying out business in a manner that complies with host country law, entities also do so in a manner that protects human rights, health, safety and the environment. We added the latter language because we wanted to provide auditors with a way to distinguish between major and minor non-compliance issues.

The intent of this requirement is not to “fail” sites that have minor non-compliance issues. As a result, we are proposing that we clarify in the guidance that the rating of a site’s performance on this requirement will depend on factors such as: 1) the number of non-compliance issues, 2) whether or not the non-compliance issues are serious (e.g., pose an imminent or acute threat to human rights, health and safety or the environment); 3) whether a breach of laws was intentional or accidental (e.g., the non-compliance was due to unplanned human error or malfunction, not due to operational decisions such as a decision to keep mining even though the treatment plant was down for maintenance).

Additionally, 1.1.1.2 now includes the information on what IRMA expects to see if in the rare instances where an IRMA requirement comes in conflict with a host country law. The IRMA Standard is a voluntary, best practice standard, so requirements in the Standard will go beyond the law in many countries, but in most cases, going beyond the law will not cause an entity to violate the laws of the host country. However, there may be isolated instances where this is the case, and if so, IRMA cannot require companies to break the law in order to meet its voluntary expectations. For example, if there are laws that strictly prohibit women from doing certain types of work,<sup>3</sup> then that would be taken into account when the IRMA requirement related to equal opportunity is audited (in Chapter 3.1, requirement 3.1.2.1). However, an entity would need to show that it was still meeting the intent of the requirement (e.g., the entity could show that for jobs that women are legally permitted to do, they are given equal opportunity in hiring processes and/or the entity actively promotes these jobs for women since certain other jobs are not legally available to them).

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<sup>1</sup> Host country law includes all applicable requirements, including but not limited to laws, rules, regulations, and permit conditions from any governmental or regulatory entity (e.g., federal/national, state, provincial, county or town/municipal levels, or their equivalents in the country where a project or operation is located).

<sup>2</sup> This is only relevant in cases where the entity claims that complying fully with an IRMA Standard requirement would require the entity to violate host country law. In such cases, the ability to meet the intent of the IRMA requirement will have to be determined on a case-by-case basis.

<sup>3</sup> World Economic Forum. 2018. “104 countries that have law preventing women from working in some jobs.” <https://www.weforum.org/agenda/2018/08/104-countries-have-laws-that-prevent-women-from-working-in-some-jobs/>

## 1.1.2. Response to Non-Compliance

1.1.2.1. If non-compliance with a host country law occurs:

- a. Timely and effective action is taken to resolve the non-compliance;
- b. Root cause analysis for the non-compliance is undertaken; and
- c. Measures are implemented to prevent recurrence of similar non-compliances.

**NOTE FOR 1.1.2.1: REVISED.** This was 1.1.3.1 in the 2018 Mining Standard. Originally all expectations were contained in a single paragraph. We have separated them out into their components so that it is clear that all elements need to be met in order to fully meet this requirement.

Additionally, we have added sub-requirement (b), that the root causes of the non-compliance be identified, as this would be a typical step an entity would take to understand how recurrence might be prevented.

The entity's ratings on this requirement will take into consideration how quickly recent non-compliance

## 1.1.3. Contractor Compliance

**NOTE FOR 1.1.3: REVISED.** See note for 1.1.3.1, below.

### CONSULTATION QUESTION 1.1-1

**Background:** We have received suggestions from stakeholders that IRMA include requirements that help incentivize the use and/or strengthening of local or in-country technical capacity. The hiring of people with local, regional and/or traditional knowledge not only benefits host countries, but can also help entities build trust with stakeholders.

We are aware, however, that in some regions there may not always be a sufficient cadre of local consultants or contractors with the expertise and experience needed to carry out the often complex and highly technical work involved in large scale mining and/or mineral processing operations.

In thinking about balancing these realities, we were considering a requirement such as:

“Efforts are made to hire appropriately qualified contractors and consultants that are based in the host country. If there are no in-country professionals with the necessary competency or experience, the entity investigates opportunities to support capacity building for local professionals.”

Capacity building could involve mentoring programs, such as hiring local professionals who don't have the necessary years of experience as part of a crew, where they could gain experience that could eventually put them in a position to take on contracts in the future, etc.

**Question:** Would you support this type of requirement? Are there other elements IRMA should consider related to this topic? Do you have suggestions of other ways (or better ways) that entities might support the building of local or in-country technical capacity?

1.1.3.1. A system is in place to manage contractor compliance with host country laws and IRMA Standard requirements,<sup>4</sup> including:

- a. Maintaining documentation on all contractors associated with the project/operation and associated facilities;<sup>5</sup>
- b. Verifying the competency, skills and capacity of all external contractors and consultants being hired to carry out work on the entity's behalf. This due diligence includes:
  - i. Validation of necessary level of education;

<sup>4</sup> The definition of contractors includes relevant subcontractors (i.e., those involved in providing services to contractors as part of their services to the entity/operation) and contracted workers hired through contractors.

<sup>5</sup> For example, contractor name, contact information, credentials, references, copy of contract, etc.

- ii. Validation of relevant professional training and certifications;
  - iii. Review of previous relevant work, including references from previous clients; and
  - iv. Determination of skills and experience in the context of the work to be undertaken.
- c. Informing contractors that compliance with host country laws and relevant IRMA Standard requirements is expected, and, as necessary, providing them with the information and training necessary to meet that obligation;<sup>6</sup>
  - d. Monitoring contractor performance; and
  - e. When non-compliance with host country laws or applicable requirements of the IRMA Standard by contractors is discovered, working with the contractor to achieve timely resolution of the non-compliance and prevent recurrence of similar non-compliances.

**NOTE FOR 1.1.3.1: REVISED.** This was 1.1.4.1 in the 2018 Mining Standard. There was a similar requirement in the 2018 Mining Standard outlining that it was the entity's obligation to ensure that all activities related to the project/operation are carried out in a responsible manner, and, if contractors are hired to carry out work for the entity, then they must be held to the same high standards as the entity and its direct employees.

However, that previous requirement was very general, and as a result, it made it difficult to audit.

We are proposing here that explicit steps be taken with regard to contractor performance relative to both host country laws and IRMA's requirements. To make this a more auditable requirement we propose that:

- 1.1.3.1.a - entities provide evidence that they have adequate documentation on their contractors (and the contractors' employees/subcontractors)
- 1.1.3.1.b – there is a process implemented to verify competency. There are multiple chapters in the IRMA Standard that refer to the need for competent professionals to carry out work. In most cases, IRMA does not specify whether these are internal or external professionals. It could be a consulting firm hired to carry out the environmental and social impact assessment, or contractors hired to carry out tailings dam safety reviews, or entity employees responsible for water monitoring programs.
- 1.1.3.1.c - convey to contractors the expectation that they must obey the law and adhere to relevant IRMA Standards (e.g., if contractors are hired to carry out work on behalf of or at the behest of the entity then they must be held to the same high standards as the entity and its direct employees).
- 1.1.3.1.c - the entity performs some oversight activities to know if the contractors are meeting legal and IRMA-related obligations.
- 1.1.3.1.e - Finally, if compliance is not occurring, then there needs to be consequences. We are proposing that there be evidence that steps are being taken to either facilitate compliance (e.g., training on the IRMA Standard or host country laws) or, if there is a serious enough breach, perhaps the termination of contracts.

This is something that is being done by some entities already.<sup>7</sup> For example, expectations are being written into contracts to ensure that contractor work is not commenced all required plans, processes and procedures to adhere to the expectations are developed, or entities are creating manuals that outline in detail the obligations of contractors. Contracts also contain reporting expectations for contractors, and the entities themselves conduct oversight of contractor compliance.

<sup>6</sup> For example, contractors may need to be made aware of policies, procedures and/or training needed to understand expectations and help them meet those expectations. These may include health and safety policies and training (see Chapter 3.2), labor-related rights (see Chapter 3.1), hiring protocols to check ages, human rights policy (see Chapter 1.3), and then specific contractors may need to be made aware of policies related to security, waste, etc.

<sup>7</sup> For example, see: Anglo American. 2020. The Social Way Toolkit. Section 4B.1. "About Contractor Social Management." <https://socialway.angloamerican.com/en/toolkit>; Freeport-McMoran. 2022. Contract Health, Safety and Environmental Manual. <https://www.fcx.com/sites/fcx/files/documents/suppliers/csm.pdf>



There are proposed additional requirements that relate to contractors in some individual chapters, as well. For example, see requirement 3.2.1.3 in 3.2 'Occupational Health and Safety.' And see [CONSULTATION QUESTION 3.1-1](#) in Chapter 3.1. However, if contractors are used in relation to the work to support any other IRMA chapters, then this requirement would also be relevant in those chapters.

#### 1.1.4. Disclosure

**NOTE FOR 1.1.4:** This criterion was 1.1.5 'Record-Keeping and Disclosure' in the 2018 Mining Standard, and the first requirement in the criterion (1.1.5.1) said, "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."

The aspect of the requirement to related to record-keeping for authentication of compliance with host country laws is now integrated into the new 1.1.1.1, above. However, the concept of maintaining documentation to demonstrate compliance with IRMA requirements has been removed. Maintaining evidence of conformance with IRMA requirements is simply part of the IRMA system, since auditors need evidence in order to verify that IRMA requirements are being met.

1.1.4.1. Upon request, records and documents related to compliance and/or non-compliance with host country laws, including descriptions of non-compliance events, ongoing and final remedies,<sup>8</sup> and prevention strategies, are made available to IRMA auditors, subject to the following:

- a. Where the entity claims that records or documentation contain confidential business information:
  - i. Auditors are provided with a general description of the confidential material and an explanation of the reasons for classifying the information as confidential; and
  - ii. If a part of a document is confidential, only the confidential part is redacted, allowing for the release of non-confidential information to auditors.
- b. Where records or documents associated with the project/operation are related to a pending legal action, the existence of the legal action and the alleged regulatory non-compliance issues are disclosed, but detailed information may be treated as confidential business information.

**NOTE FOR 1.1.4.1:** This requirement combines 1.1.5.2 and 1.1.5.4 from the 2018 Mining Standard.

Also, a clarification (1.1.4.1.b) has been added to make it clear that detailed information related to pending legal actions need not be disclosed, but the existence of such actions does need to be shared with auditors.

1.1.4.2. A publicly available policy (or equivalent) is in place that commits the entity to providing stakeholders, upon request, with a summary of the project/operation's regulatory non-compliance issues, subject to the following:<sup>9</sup>

- a. Where the entity claims that non-compliance records or documents contain confidential business information, only the confidential part is redacted, allowing for the release of non-confidential information; and
- b. Where records or documents associated with the project/operation are related to a pending legal action, the existence of the legal action and the alleged regulatory non-compliance issues are disclosed, but detailed information may be treated as confidential business information.

**NOTE FOR 1.1.4.2: REVISED.** This requirement combines 1.1.5.3 and 1.1.5.4 from the 2018 Mining Standard.

There are two changes to this requirement. First, the original wording in the 2018 Mining Standard made the requirement very difficult to audit because it was only relevant if stakeholders requested such information. If

<sup>8</sup> As used in this section, "records" includes, but is not limited to, any permit, regulatory, or relevant governmental actions whether pending or resolved. "Ongoing remedies" refers to situations where the entity is still working on achieving compliance to the satisfaction of the regulatory government entities/competent authorities.

<sup>9</sup> As per Chapter 1.2, requirement 1.2.4.3, an access to information policy is proposed for requirement in the revised IRMA Standard. It is expected that this policy could include the relevant provisions related to stakeholder access to regulatory non-compliance information.

no requests had been made then unless the company had an “access to information” or similar policy all that the auditor had to go on was the company representative’s word that if requested, stakeholders would be provided with the requested information. The proposed wording addresses that by requiring the company to have a publicly available policy (or equivalent) – which could be a procedure or other documented commitment in writing that is publicly available – so that stakeholders know (and auditors can verify) that there is a mechanism for providing this information, if requested.

A proposed new requirement in Chapter 1.2 specifically requires an access to information (or similar) policy, which would presumably be the primary policy where the commitment to provide regulatory non-compliance information would be made. (See [Note for requirement 1.2.4.3](#))

Second, the previous requirement 1.1.5.3 said “Upon request, operating companies shall provide stakeholders with a summary of the mining project’s regulatory non-compliance issues that are publicly available.” The phrase “that are publicly available” was meant to convey that only those non-compliance events that were already in the public domain (i.e., not alleged regulatory violations that were subject to legal challenges) had to be disclosed to stakeholders. The wording/intent was not well understood by auditors or mining companies so we have removed it. Instead, we have added 1.1.4.2.b, which says that details of pending legal actions do not need to be made public, but if requested the entity would furnish some information about alleged regulatory violations that are subject to legal actions. This is based on the fact that laws in various countries already require that information on various legal issues be disclosed publicly.<sup>10</sup>

## NOTES

This chapter balances the importance of compliance with host country laws with the recognition that laws can greatly vary between countries and regions. Therefore, this chapter establishes host country laws as the base expectation, and adherence to IRMA’s best practice requirements as well. As a general rule, and particularly recognizing that participation in IRMA is voluntary, this chapter prioritizes IRMA requirements because IRMA seeks to raise the bar of mining practices globally - and not just codify existing practices (whether considered best or not).

The ratings awarded during and IRMA audit are based on the evidence reviewed by auditors, which may only constitute a sample of available records or documents. Thus, even if an entity receives a ‘fully meets’ rating on requirement 1.1.1.2 it is not a guarantee that the entity being audited complies with all the legal obligations associated with the project/operation, and such a rating may not be used to suggest otherwise or as a defense to claims regarding legal violations.

Where documents and records produced in satisfaction of legal requirements or other standards also meet the requirements of the IRMA Standard the entity is not required to duplicate these. An entity may choose to develop summaries and explanations of such documents and records in order to facilitate the IRMA audit process.

## CROSS REFERENCES TO OTHER CHAPTERS

This table will be added when the new content for all chapters is finalized and approved.

## GLOSSARY OF TERMS USED IN THIS CHAPTER

### PROPOSED NEW DEFINITIONS

#### Entity

A company, corporation, partnership, individual, or other type of organization that is effectively in control of managing an exploration, mining or mineral processing project or operation.

<sup>10</sup> E.g., in the United States, the Securities and Exchange Commission requires companies to file annual 10-K reports. In Part 1 of that report there is a section (Item 3) called “Legal Proceedings” that requires the company to include information about significant pending lawsuits or other legal proceedings, other than ordinary litigation. <https://www.sec.gov/oiea/investor-alerts-and-bulletins/how-read-10-k10-q>

## Exploration

A process or range of activities undertaken to find commercially viable concentrations of minerals to mine and to define the available mineral reserve and resource. May occur concurrent with and on the same site as existing mining operations.

## Mineral Processing

Activities undertaken to separate valuable and non-valuable minerals and convert the former into an intermediate or final form required by downstream users. In IRMA this includes all forms of physical, chemical, biological and other processes used in the separation and purification of the minerals.

## Mining

Activities undertaken to extract minerals, metals and other geologic materials from the earth. Includes extraction of minerals in solid (e.g., rock or ore) and liquid (e.g., brine or solution) forms.

## Operation

The set of activities being undertaken for the purpose of extracting and/or processing mineral resources, including the running and management of facilities and infrastructure required to support the activities, and the ongoing legal, environmental, social and governance activities necessary to maintain the business endeavor.

## Project

The development phases before a mining or mineral processing operation can begin (e.g., exploration, pre-feasibility, feasibility, conceptual design, planning, permitting). Includes all desk-top and field-based activities, including exploration activities, needed to inform and develop a project proposal, support the environmental and social impact assessment of a proposal, generate information necessary to fulfill regulatory and permitting requirements, engage with stakeholders and rights holders, and maintain the entity's business endeavor.

## Root Cause Analysis

Root cause analysis seeks to identify the primary cause of a problem that allowed a non-compliance/non-conformity to occur. By identifying the root cause, the non-compliance/non-conformity can be more effectively addressed and recurrence can be avoided.

## EXISTING DEFINITIONS

### Associated Facility

Any facility owned or managed by the entity that would not have been constructed, expanded or acquired but for the project/operation and without which the project/operation would not be viable. Examples include but are not limited to stationary physical property such as power plants, port sites, roads, railroads, pipelines, borrow areas, fuel production or preparation facilities, parking areas, shops, offices, housing facilities, construction camps, storage facilities, etc. Associated facilities may be geographically separated from the area hosting the project/operation (i.e., the site). See also 'Facility'.

**REVISED.** Revised to indicate that a mineral processing facility could be an associated facility for a mining operation if not co-located with the mine.

### Confidential Business Information

Material that contains trade secrets or commercial or financial information that has been claimed as confidential by its source. The information must be secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to people within the circles that normally deal with the kind of information in question; it must have commercial value because it is secret; and it must have been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

## Contractor

An individual, company, or other legal entity that carries out duties related to a project/operation that are subject to a contractual agreement that defines, for example, work, duties or services, pay, hours or timing, duration of agreement, and that remains independent for employment, tax, and other regulatory purposes. It also includes contracted workers hired through third party contractors (e.g., brokers, agents, or intermediaries) who are performing mining-related activities at the project/operation site or associated facilities at any point during the project/operational life cycle (including prior to or during construction phase). See also 'Mining-Related Activities.'

**REVISED.** Added contracted worker as a type of contractor. Changed wording from mining project to project/operation.

## Host Country Law

May also be referred to as national law, if such a phrase is used in reference to the laws of the country in which a project or operation is located. Host country law includes all applicable requirements, including but not limited to laws, rules regulations, and permit requirements, from any governmental or regulatory entity, including but not limited to applicable requirements at the federal/national, state, provincial, county or town/municipal levels, or their equivalents in the country where the project/operation is located. The primacy of host country laws, such as federal versus provincial, is determined by the laws of the host country.

**REVISED.** Changed wording from mining project to project or operation.

## Stakeholders

Individuals or groups who are directly or indirectly affected by a project/operation, such as rights holders, as well as those who may have interests in a project/operation and/or the ability to influence its outcome, either positively or negatively.

**REVISED.** Changed wording from persons to individuals, and from project to project/operation.