



Initiative for Responsible  
Mining Assurance

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

### Chapter 3.4 – Conflict-Affected and High-Risk Area Due Diligence

#### 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 3.4

## Conflict-Affected and High-Risk Area Due Diligence

**NOTES ON THIS CHAPTER:** We have changed the chapter title to Conflict-Affected and High-Risk Area Due Diligence.

IRMA has been encouraged by stakeholders from different sectors to fully align with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)<sup>1</sup> (hereafter referred to as “OECD Due Diligence Guidance”). IRMA did base Chapter 3.4 in the 2018 Mining Standard on the OECD Due Diligence Guidance, but did not fully integrate every step of the guidance’s 5-Step framework.

In 2022, IRMA held an Expert Working Group to discuss whether IRMA should try to fully align with OECD. In general, most working group participants said IRMA should align with OECD, not because it is necessarily the best approach to manage a company’s activities related to CAHRA (especially for mine operators, at the very upstream of the supply chain), but because OECD Due Diligence Guidance is now widely adopted and is even being written into regulations. Some suggested that OECD DD is especially useful in cases where LSM source from ASM.

The working group discussions included a number of challenging aspects related to conflict-affected and high-risk area (CAHRA) and OECD Due Diligence Guidance.

First, there is no definitive or consistently updated list of CAHRA. As a result, when a site that is under assessment and IRMA auditors have a difference of opinion on whether the site is in a CAHRA (or there are “red flags” using OECD DD terminology – see requirement 3.4.3.1) based on the evidence presented, there is no obvious arbiter to make a final determination. The outcome of that disagreement, however, can mean passing or failing this chapter, which could result in site reaching or not reaching and achievement level in IRMA, and therefore these needs to be a way to address disagreements. At this time, IRMA assumes that when such disagreements arise IRMA will have to convene an ad hoc expert committee to review the information and make a final determination.

Second, OECD Due Diligence Guidance has some very clear recommendations on what should occur if an entity is found to be sourcing from or linked to another entity that has committed serious human rights abuses or supported armed groups. For example, if an upstream entity in the supply chain has been extorted by an armed group (e.g., forced to pay a bribe or “fee”) downstream entities are supposed to suspend or discontinue sourcing from the upstream entity. However, the working group discussed scenarios where this might not be the best course of action, especially for the mine workers and communities who might be receiving economic benefits from the mine. Clearly, CAHRA are very complex and challenging operating environments. Some IRMA expert working group participants suggested that perhaps OECD Due Diligence Guidance should be revised/updated, and that IRMA should have conversations with them about that. There were also suggestions that IRMA could look at producing its own guidance specific to mines or mineral processing operations that are operating/sourcing/transporting minerals/metals in such regions. [See discussion in the Note for 3.4.4.3, and [CONSULTATION QUESTION 3.4-3](#)].

Finally, the expert working group also suggested that IRMA should include requirements or guidance on how mines and mineral processing operations can contribute to positive impact on local governance, peace, and stability in CAHRA. At the present time, we have not added any specific requirements related to that suggestion.

### Proposed additions and changes:

- The language and requirements have been rewritten to more closely reflect the OECD Due Diligence Guidance expectations.
- We have removed a requirement on CAHRA screening [see [CONSULTATION QUESTION 3.4-2](#)]

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<sup>1</sup> Organisation for Economic Cooperation and Development (OECD). 2016. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. (3rd Ed.) <https://mneguidelines.oecd.org/mining.htm>

## Glossary:

- We are proposing new/updated 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.

## PARTICIPATE IN AN EXPERT WORKING GROUP ON MINERAL SUPPLY CHAINS AND RESPONSIBLE SOURCING

This chapter 3.4 on Conflict-Affected and High-Risk Area due diligence has some overlap with [a new chapter \(1.XX\) being proposed on Mineral Supply Chains and Responsible Sourcing](#). The chapter on Mineral Supply Chains and Responsible Sourcing (Chapter 1.XX) is still under development, and to aid in that process IRMA will be convening an Expert Working Group on the subject. One of the issues that will be considered in that working group is the possibility of combining a responsible sourcing chapter with this CAHRA chapter (since management of risks in CAHRA is a component of responsible sourcing).

The intention is that a draft Chapter 1.XX will be released separately for public consultation in the next few months.

If you are interested in participating in an Expert Working Group on Mineral Supply Chains and Responsible Sourcing, please contact IRMA's Standards Director, Pierre De Pasquale ([pdepasquale@responsiblemining.net](mailto:pdepasquale@responsiblemining.net)).

## BACKGROUND

Mineral exploration, mining and mineral processing may take place in areas where there are existing or potential conflicts or socio-political instability that can adversely affect the project and local stakeholders. In some cases, conflict may be external to the company's operation, and in other cases conflict may be caused, exacerbated, or supported by a company's activities or presence in an area.

"Companies and their investors are paying increased attention to the challenges and opportunities of doing business in conflict-affected and high-risk areas. These areas differ significantly from more stable operating environments and require companies and investors to take into consideration additional factors."<sup>2</sup>

Developing suitable responses when operating in or sourcing minerals from conflict-affected and high-risk areas (CAHRAs) is challenging, but guidance exists to assist companies in identifying, assessing, and mitigating risks and impacts associated with operating in those areas. The most widely accepted framework is the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.<sup>3</sup>

Such guidance is increasingly being used as a means of cultivating transparent mineral supply chains and corporate engagement in the mineral sector, with a view to enabling countries to benefit from their mineral resources and preventing the extraction and trade of minerals from becoming a source of conflict, human rights abuses, and insecurity.

### TERMS USED IN THIS CHAPTER

Artisanal and Small-Scale Mining ■ Business Relationships ■ Collaboration ■ Competent Professionals ■ Confidential Business Information ■ Conflict-Affected or High-Risk Area ■ Consultation ■ Contractor ■ Entity **NEW** ■ Exploration **NEW** ■ Grievance ■ Grievance Mechanism ■ Leverage ■ Mineral Processing **NEW** ■ Mining **NEW** ■ Mitigation ■ Operation **NEW** ■ Project **NEW** ■ Serious Human Rights Abuses ■ Stakeholder ■ Supplier ■ Whistleblower **NEW** ■ Worker ■

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

<sup>2</sup> UN Global Compact and PRI (2010). They elaborate that "The following conditions often prevail in conflict-affected and high-risk areas: human rights violations; presence of an illegitimate or unrepresentative government; lack of equal economic and social opportunity; systematic discrimination against parts of the population; lack of political participation; poor management of revenues, including from natural resources; endemic corruption; and chronic poverty with associated heightened risks and responsibilities." (UN Global Compact and PRI. 2010. *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*. [https://www.unglobalcompact.org/docs/issues\\_doc/Peace\\_and\\_Business/Guidance\\_RB.pdf](https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/Guidance_RB.pdf))

<sup>3</sup> Organisation for Economic Cooperation and Development (OECD). 2016. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. (3rd Ed.) <https://mneguidelines.oecd.org/mining.htm>

## OBJECTIVES/INTENT OF THIS CHAPTER

To respect human rights and avoid contributing to conflict when operating in, transporting materials through, or sourcing minerals or metals from conflict-affected and high-risk areas.

**NOTE ON OBJECTIVES: REVISED.** Now reflects that various entities in the supply chain have responsibility (those operating in, transporting minerals through or sourcing from CAHRA).

## 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.).

We are considering whether or not to allow some sites to mark this chapter as not relevant if they can provide IRMA auditors with evidence that their project/operation is in no way associated with a CAHRA (see [CONSULTATION QUESTION 3.4-2](#), below).

## CRITICAL REQUIREMENTS IN THIS CHAPTER

The entity develops and implements a publicly available policy to manage risks related to conflict-affected and high-risk areas in a manner that protects human rights ([3.4.2.1](#)).

**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.

# Conflict-Affected and High-Risk Area Due Diligence Requirements

## 3.4.1. External Certification of OECD Due Diligence

**NOTE FOR 3.4.1.** This is a **NEW** criterion. The idea is that IRMA will recognize certifications by other systems, and if a mining and/or mineral processing operation has been evaluated as being compliant with a recognized OECD-aligned auditing system (determined on a case-by-case basis, based on the results of an OECD alignment assessment, and/or potentially if recognized by other entities or regulatory bodies) then IRMA would not necessarily require duplication of auditing efforts.

Our proposal for how this chapter could be audited is:

**SCENARIO 1:** If a site has not been audited by a recognized OECD-aligned system then IRMA auditors audit the chapter.

**SCENARIO 2:** If a site has been audited by a recognized OECD-aligned system within the previous two years, AND the entity agrees to make its most recent audit report (and, if relevant, any corrective action plans) available to the IRMA auditor and agrees to allow certain findings to be reported in the IRMA audit report, then the IRMA auditor would review the audit report and:

- If the other system's audit report clearly shows full conformity with all of the OECD due diligence expectations, the entity would score fully meets on 3.4.1.1 (and the IRMA chapter as a whole), and no other requirements would need to be scored.
- If the other system's audit report clearly indicates that not all expectations have been fully met then the IRMA auditor would assign ratings for each requirement in the chapter based on the previous auditor's findings (e.g., if the entity was weak in its reporting on OECD due diligence, the IRMA auditor would not give full marks for that criterion).
- If the other system's audit report is not complete enough to enable verification of any of the requirements in the IRMA chapter (which are aligned with OECD DD expectations), then IRMA auditor would either mark the requirements as 'not met' or the entity would have to furnish evidence to enable a different rating.

In this way, IRMA can maintain consistency with the scoring used in other IRMA chapters, and be consistent with respect to transparency of an entity's performance.<sup>4</sup>

**CONSULTATION QUESTION 3.4-1:** Do you agree with IRMA recognizing the results of audits conducted for other certification systems (even if the auditing procedures do not fully align with IRMA's assurance procedures)? If not, please explain your rationale.

Do you agree with recognizing audits from other systems conducted within the past two years, or would you suggest a longer or shorter time period in order to recognize past audits? If you prefer a different period, please explain your rationale.

3.4.1.1. Within the past two years, entities:

- a. Have been audited against the due diligence expectations in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas<sup>5</sup> (hereafter referred to as "OECD Due Diligence Guidance") within an OECD Due Diligence-aligned standard system;
- b. Have been verified as being fully compliant with the OECD Due Diligence Guidance expectations; and
- c. Shared their full audit results with IRMA auditors.

### 3.4.2. Establish Strong Company Management Systems

**NOTE FOR 3.4.2. REVISED.** The name of this criterion was 'Company Management Systems' in the 2018 Mining Standard). It has been changed to align Step 1 of the 5-Step framework in the OECD Due Diligence Guidance).

The idea is that if 3.4.1.1 is not fully met, then requirements 3.4.2 through 3.4.7 are either audited by the IRMA auditor, or the auditor assigns scores on these criterion/requirements based on the results of the audit shared by the entity as per 3.4.1.1. If the audit results are not complete enough to enable verification of the following requirements, the auditor would either mark the requirement as 'not met' or the entity would have to furnish evidence to enable a different rating.

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<sup>4</sup> This is required to maintain consistency with the requirements of the IRMA system. IRMA is not pass-fail, but instead rates performance on every requirement, which then adds up to a chapter score, and also contributes to an overall achievement level for a site. RMA also requires the transparent reporting of performance on a requirement-by-requirement basis.

<sup>5</sup> Organisation for Economic Cooperation and Development (OECD). 2016. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. (3rd Ed.) <https://mneguidelines.oecd.org/mining.htm>

#### 3.4.2.1. (Critical Requirement)

Entities develop and implement a supply chain policy, applicable to operations and activities of the entity, relevant contractors, and mineral suppliers (if applicable), that, at minimum:

- a. Outlines the principles and standards that the entity follows to identify and manage risks in the supply chain of minerals potentially from conflict-affected and high-risk areas (CAHRAs);
- b. Is consistent with Annex II of the OECD Due Diligence Guidance;
- c. Includes a commitment by the entity to undertake due diligence on its operations and, where applicable, its supply chain in accordance with the OECD Due Diligence Guidance 5-step framework (and where applicable relevant Supplements) and sets out clear and coherent management processes for risk management;
- d. Is approved at the most senior level of the entity; and
- e. Is made publicly available and, where applicable, communicated to contractors and mineral suppliers.<sup>6</sup>

**NOTE FOR 3.4.2.1. REVISED.** Requirement 3.4.2.1 and 3.4.2.2.a in the 2018 Mining Standard included a commitment that was meant to align with Annex II of the OECD Due Diligence Guidance (now 3.4.3.1 b). This requirement provides more details on the expectations related to the policy commitment.

This is the closest requirement to the critical requirement in the 2018 Standard, and so we have marked it as critical here (for more on critical requirements see the note that accompanies 'Critical Requirements In This Chapter,' above).

3.4.2.2. Entities develop and implement a management system to support due diligence that includes:

- a. Assigning responsibility and authority to senior staff with the necessary competence, knowledge and experience to oversee and ensure accountability for all due diligence activities;
- b. Allocating sufficient resources to ensure the operation and monitoring of due diligence, taking into account entity size and circumstances;
- c. Establishing communication processes to ensure that critical information about due diligence, including the entity's supply chain policy, reaches relevant employees (including senior management) and, where applicable, mineral suppliers;
- d. Undertaking training and capacity building for relevant staff and, where applicable, contractors and mineral suppliers on the supply chain policy and its practical application; and
- e. Maintaining records of findings and decisions made related to the implementation of the supply chain policy and associated due diligence activities.

**NOTE FOR 3.4.2.2. NEW.** Sub-requirements 3.4.2.2 (a), (b), (c) and (d) align with Step 1.B of the OECD Guidance, and sub-requirement 3.4.2.2.e is typically included in any management system.

3.4.2.3. Entities establish and implement a system of controls and transparency, including:

- a. Maintaining inventory and transaction documentation that includes information on the form, type and physical descriptions of mineral outputs;
- b. Maintaining documentation on the origin of minerals, transportation routes and payment of taxes, royalties and other relevant payments;<sup>7</sup>
- c. Assigning unique references for minerals produced, processed and sold;
- d. Maintaining due diligence information for a minimum of five years and making due diligence information available to downstream purchasers and relevant institutionalized mechanisms with a mandate to collect

<sup>6</sup> This includes suppliers of minerals that are external to the entity, i.e., large-scale mines owned by other entities, and/or artisanal-scale mines (ASM), mineral traders, etc.

<sup>7</sup> Documentation for some of these items is required in IRMA Chapter 1.5 (e.g., quantities of minerals produced; mining-related taxes, fees, royalties and other payments made to governments). See requirement 1.5.1.2. Documentation on those particular items does not need to be provided to auditors for the purposes of this chapter if the site has already been verified as meeting the relevant requirements of Chapter 1.5.



and process information on minerals from CAHRAs, and for minerals identified as originating from red-flagged locations (see 3.4.3.1), making this information available in disaggregated format;

- e. Entities that source minerals from external mineral suppliers additionally:<sup>8</sup>
- i. Incorporate disclosure requirements and the entity's supply chain policy into commercial contracts with mineral suppliers in order to collect information on the origin of minerals,<sup>9</sup> transportation routes and payment of taxes, royalties and other relevant payments;
  - ii. Collect and maintain mineral supplier details, including know your customer/supplier information and assigning unique references for all mineral purchases;
  - iii. Communicate to mineral suppliers the entity's expectation that suppliers will undertake supply chain due diligence and risk management consistent with the standards defined in Annex II of the OECD Due Diligence Guidance; and
  - iv. Taking into account the entity's own size and capacity, demonstrate that efforts have been undertaken to build capacity amongst mineral suppliers to improve risk management performance and to comply with the company's supply chain policy.

**NOTE FOR 3.4.2.3. REVISED.** This requirement was previously 3.4.2.2.b in the 2018 Mining Standard. Sub-requirements 3.4.2.3.a, b, c and d were previously all in a single paragraph. They have been broken out to more clearly define each expectation.

Also, the requirement has been expanded to include additional requirements for those sourcing minerals from external mineral suppliers (3.4.2.3.e).

3.4.2.4. Stakeholders have access to and are informed about a grievance mechanism that enables stakeholders, including whistleblowers, to voice concerns regarding the circumstances of extraction, trade, handling, and export of minerals.<sup>10</sup>

**NOTE FOR 3.4.2.4.** This requirement was previously 3.4.2.2.d in the 2018 Mining Standard.

#### **CONSULTATION QUESTION 1.4-2** (repeated from Chapter 1.4 – 'Complaints and Grievance Mechanism and Access to Remedy')

**Background:** Chapter 1.4 - 'Complaints and Grievance Mechanism and Access to Remedy' includes a range of requirements surrounding the existence of an accessible and effective operational-level grievance mechanism. It is not possible to score well on Chapter 1.4 if the mechanism does not have certain quality-related characteristics. Other chapters (i.e., human rights, gender, resettlement, security, ASM) also have requirements relating to the existence of a grievance mechanism;<sup>11</sup> however, the requirements in each of those chapters ask only that a mechanism is in place that allows grievances to be filed and addressed, but they do not speak to the overall quality of that mechanism. This is an approach proposed by IRMA to avoid too much repetition across chapters. However, this creates a situation in which an entity could theoretically score 'fully meets' on the grievance-related requirement in an individual chapter (which in most cases only asks that stakeholders have "access to" a grievance mechanism), even if the grievance mechanism as a whole is not an effective one (as reflected in the overall score for Chapter 1.4).

**Question:** Should an entity's score on grievance-related requirements within individual non-grievance-specific chapters be restrained or linked to the overall score that the entity gets on the grievance chapter (Chapter 1.4) as a whole?

<sup>8</sup> "External mineral suppliers" include, for example, large-scale mines owned by other entities, and/or artisanal-scale mines (ASM), mineral traders, etc.

<sup>9</sup> This includes identification of the mine(s) of origin for any minerals sourced from external suppliers including ASM and large-scale mines (LSM).

<sup>10</sup> The grievance mechanism may be provided directly by the entity (see IRMA Chapter 1.4), through collaboration with other entities, or through an industry program or institutionalized mechanism

<sup>11</sup> See: Chapter 1.3, requirement 1.3.3.3; proposed Chapter 1.X, requirement 1.X.3.2; Chapter 2.4, requirement 2.4.3.3; Chapter 3.5, requirement 3.5.6.3; and Chapter 3.6, requirement 3.6.2.1.d.

For example, if a site scores 80% on Chapter 1.4, the most the site could receive for a grievance requirement in the other chapters would be a ‘substantially meets,’ but if a site scores 100% on Chapter 1.4 then, assuming the mechanism can handle grievances specific to the other chapters, they could possibly get a ‘fully meets’ rating on those grievance requirements.

### 3.4.3. Identify and Assess Risks in the Upstream Mineral Supply Chain

**NOTE FOR 3.4.3. REVISED.** The criterion heading has changed from ‘Conflict Risk Assessment’ to the proposed ‘Identify and Assess Risks in the Upstream Mineral Supply Chain.’ The requirements in 3.4.3 align with Step 2 of the OECD Due Diligence Guidance.

3.4.3.1. Using reasonable and good faith efforts, the entity assesses risks to determine if further due diligence steps are required. This involves:

- a. Using evidence gathered from credible sources and a review of information gathered in 3.4.2, to identify and assess whether the locations of mineral origin and transit, the nature of mineral suppliers (if applicable) or the circumstances within the supply chain may trigger any of the following ‘red flags’, as defined in the OECD Due Diligence Guidance:<sup>12</sup>

*Red-flag locations of mineral origin and transit*<sup>13</sup>

- i. The mineral originates from or has been transported through a CAHRA.
- ii. The mineral is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of the mineral in question.
- iii. The mineral is claimed to originate from a country through which minerals from CAHRAs are known or reasonably suspected to transit.

*Red-flag suppliers* (if applicable)

- i. Suppliers or other known upstream companies operate in one of the above-mentioned red-flag locations of origin and transit, or have shareholder or other interests in suppliers from one of the above-mentioned red-flag locations of origin and transit.
- ii. Suppliers or other known upstream companies are known to have sourced the mineral in question from a red-flag location of origin and transit in the last 12 months.

*Red-flag circumstances*

- i. Anomalies or unusual circumstances are identified through the information collected in 3.4.2, which give rise to a reasonable suspicion the mineral may contribute to conflict or serious abuses associated with the extraction, transport, or trade of the mineral in question.
- b. Establishing if further due diligence is required based on the following criteria:
    - i. No red-flags identified: if the entities determines that these red-flags do not arise in its operations or supply chain, no additional due diligence is required. The management systems established in 3.4.2 are maintained and reviewed on a regular basis and conflict-related risks are monitored at a level commensurate with the potential that red-flags may arise in the supply chain in the future. If new risks emerge, the entity determines if risks are significant enough to warrant undertaking the additional due diligence steps outlined in the remainder of this chapter. All entities, irrespective of risks identified, report on their due diligence practices and findings in alignment with 3.4.7; and

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<sup>12</sup> “Credible sources” may include reports and other information (e.g., maps, statements) from governments, international organizations, NGOs, human rights defenders, industry, media, United Nations or others (e.g., ethical pension funds) relating to mineral extraction, and its impact on conflict, human rights or environmental harm in the country of potential origin, as well as criteria and indicators of conflict-affected or high-risk areas developed through multi-stakeholder initiatives. Sources would be considered credible if they are trusted and/or referred to by a range of stakeholders, including competent professional who work on human rights and/or conflict-affected areas.

<sup>13</sup> This applies to locations of mineral origin and transit for minerals produced at the entity’s own mine(s) and to minerals produced by external mineral suppliers, if applicable.

- ii. Red-flags identified or information unknown: if the entity identifies one or more red-flags in its supply chain, or is unable to reasonably exclude one or more of these red-flags from its supply chain, then it carries out the additional due diligence starting with requirement 3.4.3.2.

**NOTE FOR 3.4.3.1. REVISED.** This was requirement 3.4.1.1 in the 2018 Mining Standard. Although there was a similar requirement, the content in this requirement has been significantly revised and expanded to align with language and expectations in the OECD Due Diligence Guidance.

#### CONSULTATION QUESTION 3.4-2:

**Background:** The 2018 Mining Standard (requirement 3.4.1.1) included an CAHRA screening step, similar to requirement 3.4.3.1.a, below. The difference is that the 2018 IRMA requirement allowed sites that were clearly not associated with a CAHRA (i.e., did not mine in a CAHRA, did not transport minerals through or to CAHRA, or did not source from other mines in CAHRA), to mark this chapter as not relevant. There was also an expectation that at every audit the sites would need to again demonstrate that the chapter was ‘not relevant’ (since political and operational contexts can change over time).

However, the revised requirements have been written in a manner that expects that all sites carry out some due diligence, i.e., have a policy, document the circumstances of mineral extraction and/or mineral suppliers, etc. (see requirement 3.4.3.2).

**Question:** Do you agree with this new approach? Or do you believe that if mining and/or mineral processing operations are clearly not associated with CAHRAs that the chapter should not be applicable to them? A rationale supporting your opinion would be appreciated.

3.4.3.2. Where red-flags are identified or the entity is unable to reasonably exclude the presence of one or more red-flags, entities map the factual circumstances of the upstream supply chain, which includes:

- a. An in-depth review, carried out and documented by competent professionals, of the context of all red-flag locations (actual or potential) and the due diligence practices of any red-flag mineral suppliers, where applicable. This includes a review of relevant reports, maps and other credible information associated with the extraction, transport, and trade of minerals in the red-flagged locations, as well as consultation with relevant local and national stakeholders (such as representatives from government, civil society and upstream companies); and
- b. Identifying if material originates from ASM and/or large-scale mine (LSM) sources, and undertaking on-the-ground-assessments, performed by independent assessors who are competent professionals, of red-flagged sources of mined minerals. This information is made available to downstream companies in the supply chain.

**NOTE FOR 3.4.3.2. REVISED.** Sub-requirement 3.4.3.2.a, above, aligns with requirement 3.4.3.3 in the 2018 Mining Standard. Sub-requirement 3.4.3.2.b is **NEW**.

3.4.3.3. Entities assess the factual circumstances of red-flagged supply chains against their supply chain policy (consistent with Annex II of the OECD Due Diligence Guidance as per 3.4.2.1) and determine if there are any inconsistencies between these factual circumstances and the principles and standards of the policy. Any identified inconsistencies are considered as risks with the potential for adverse impacts.

**NOTE FOR 3.4.3.3. REVISED.** Requirement 3.4.3.1 in the 2018 Mining Standard required a risk assessment. It did not link it directly to the entity’s policy. This revised requirement is more in alignment with OECD Due Diligence Guidance.

### 3.4.4. Management of CAHRA-Related Risks and Impacts

**NOTE FOR 3.4.4. REVISED.** Some of the requirements in this criterion are aligned with Step 3 of the OECD Due Diligence Guidance (other OECD Step 3 expectations are found in IRMA criterion 3.4.5, below).

The criterion heading has changed from 'Conflict Risk Management' to the proposed 'Management of CAHRA-Related Risks and Impacts.' The word 'impacts' has been added because it is possible that the on-the-ground assessment may uncover actual impacts (not just risks, also known as potential impacts).

3.4.4.1. Entities report the results of the risk assessment to senior management, outlining the information gathered from the supply chain mapping exercise (in 3.4.3.2) as well as any risks or impacts identified (in 3.4.3.3).

**NOTE FOR 3.4.4.1. REVISED.** Requirement 3.4.6.1 in the 2018 IRMA Standard required reporting of risk assessment results to senior management, but this requirement is now more specific on what needs to be reported in order to align more fully with OECD Due Diligence Guidance.

3.4.4.2. Entities that have identified red-flags in the supply chain:

- a. Establish a chain of custody or traceability system that collects and maintains disaggregated information on all inputs (if material is purchased from external mineral suppliers) and outputs of material originating from red-flagged supply chains;
- b. Enhance physical security practices for material as appropriate (e.g., security of transport, sealing material in tamper proof containers);
- c. Physically segregate material for which there is an identified risk of association with conflict and serious human rights abuses; and
- d. Entities that source minerals from external mineral suppliers also enhance engagement with red-flag mineral suppliers and incorporate into commercial contracts the right to conduct unannounced spot checks.

**NOTE FOR 3.4.4.2. NEW.** Added to align with Step 3 of OECD Due Diligence Guidance.

3.4.4.3. Entities that have identified red-flags in the supply chain develop and implement a risk management plan to respond to identified risks or impacts. The risk management plan:

- a. Includes strategies for mitigating any OECD Annex II risks in accordance with the OECD Due Diligence Guidance;<sup>14</sup>
- b. Includes specific measures to address non-Annex II risks;<sup>15</sup>
- c. Includes plans to exercise leverage over actors in its supply chain that can most effectively and most directly prevent or mitigate the risk of adverse impacts;
- d. Includes performance criteria and indicators, linked to adequate baseline data, to enable monitoring and evaluation of the effectiveness of mitigation actions over time;
- e. Assigns implementation of actions, or oversight of implementation, to responsible staff;<sup>16</sup>
- f. Includes an implementation schedule and timelines for the demonstration of measurable improvement;<sup>17</sup> and
- g. Includes estimates of human resources and budget required and a financing plan to ensure that funding is available for the effective implementation of the plan.

**NOTE FOR 3.4.4.3.** Requirement 3.4.4.1 of the 2018 Mining Standard included a requirement for a risk management plan. 3.4.4.3.a, b and c integrate expectations from OECD Due Diligence Guidance.

<sup>14</sup> Annex II identifies risks that should be mitigated by suspending or discontinuing/terminating mining operations or relationships with mineral supplier(s) (i.e., in cases where serious human rights abuses and/or direct or indirect support for non-state armed groups is identified).

<sup>15</sup> The risk of committing, contributing to or being linked to human rights violations is increased in conflict-affected and high-risk areas. When projects/operations are located in conflict-affected or high-risk areas, entities must ensure that any risks to or impacts on human rights are addressed as per IRMA Chapter 1.3. That chapter requires steps to prevent, mitigate and remediate potential and actual human rights impacts.

<sup>16</sup> If work is carried out by third party contractors, then there needs to be a staff employee responsible for overseeing the quality of work, timelines, etc.

<sup>17</sup> OECD says entities should aim for measurable improvement within 6 months from the adoption of the plan.

Sub-requirements d, e, f, and g are aligned with other management plans in the IRMA Standard.

### CONSULTATION QUESTION 3.4-3

**Background:** Annex II of the OECD Due Diligence Guidance is a “Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.” The annex identifies risks that should be mitigated by suspending or discontinuing/terminating mining operations or relationships with mineral supplier(s). For example, Paragraph 4 of the Annex says:

“We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.”

The direct or indirect support of nonstate armed groups in paragraph 3 of the annex includes, but is not limited to:

“...procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- (i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain;
- (ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded;
- (iii) illegally tax or extort intermediaries, export companies or international traders.”

While it is completely understandable why these recommendations exist, the codification of OECD Due Diligence creates challenges for standard systems like IRMA, and their auditors who have to determine if an entity has taken action that aligns with OECD Due Diligence Guidance. The OECD guidance says entities “should” suspend or discontinue relationships, leaving room for interpretation, but OECD guidance does not provide any examples of allowable exceptions.

It’s additionally challenging for IRMA auditors because the OECD Due Diligence Guidance is somewhat in conflict with the UN Guiding Principles on Business and Human Rights (UNGPs), which forms the basis for IRMA’s Chapter 1.3 on Human Rights Due Diligence. UNGP action depends on if the entity is causing, contributing to or is linked to an infringement of human rights. The table below shows the different approaches.

| OECD Due Diligence Guidance  | UNGPs  |
|--|--|
| “We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.” | “Where a business enterprise has not contributed to an adverse human rights impact, but that impact is nevertheless directly linked to its operations, products or services by its business relationship with another entity, the situation is more complex. Among the factors that will enter into the determination of the appropriate action in such situations are the enterprise’s leverage over the entity concerned, how crucial the relationship is to the enterprise, the severity of the abuse, and whether terminating the relationship with the entity itself would have adverse human rights consequences.” |

The more nuanced approach of the UNGPs allows entities (upstream and downstream) to consider the full scope of impacts of their actions/responses to discovering that they may be implicated in human rights.

Take, for example, the extortion element listed in (ii) above. That particular element of the OECD Due Diligence Guidance can pose a challenge for both upstream entities (mines) and downstream entities (e.g., mineral processing sites, traders, manufacturers, purchasers of mined material) who are either trying to

transport their materials to or receive materials from a mine (which may have been producing the materials in a responsible manner). If there are armed groups who are requiring “fees” to be paid for safe passage along a transport route, then either the mine or the downstream entity transporting the materials would be directly supporting that armed group.

Within OECD, the immediate suspension or discontinuation of engagement would cut off that single source of income for the armed group (a positive impact), but if all downstream entities were to suspend or discontinue sourcing from a mine because it had to pay fees to armed groups to ensure safe passage of its material, there could be a variety of unintended adverse impacts. For example, it would cut off income for all of the workers at the mine and any business that provides goods or services to the mine. Or it could force a mine into bankruptcy, and threaten the ability of the mine to be reclaimed and closed in a safe and environmentally sustainable manner. The UNGPs, in allowing entities to consider “whether terminating the relationship with the entity itself would have adverse human rights consequences,” appear to open up a wider range of responses.

IRMA continues to grapple with this issue. We could develop our own guidance on what might be appropriate action in certain circumstances, but if that guidance differs from Annex II of the OECD DD, then it is possible our standard would not be considered to be OECD-aligned. If, however, we require auditors to adhere to the letter of OECD Due Diligence Guidance, then we could be incentivizing the closure of mines in CAHRA and increasing pressure for new mines to be developed elsewhere to meet mineral demand.

**Question:** Do you believe that IRMA must be fully OECD-aligned, or would you support IRMA integrating the OECD Due Diligence Guidance 5-Step framework but be more nuanced regarding the actions to be taken when Annex II risks are encountered? For example, IRMA could do away with 3.4.4.3.a, and require that all entities following the risk mitigation in 3.4.4.b. Please feel free to suggest additional or different options.

3.4.4.4. Entities collaborate with relevant stakeholders and, if applicable, mineral suppliers, to agree on mitigation strategies, performance criteria and timelines for demonstration of measurable risk mitigation.

**NOTE FOR 3.4.4.4.** Requirement 3.4.4.2 of the 2018 Mining Standard included a requirement to collaborate with stakeholders on these elements.

### 3.4.5. Monitoring and Evaluation

**NOTE FOR 3.4.5.** Some of the requirements in this criterion are aligned with Step 3 of the OECD Due Diligence Guidance (the rest of OECD Step 3 expectations are found in IRMA criterion 3.4.4, above).

3.4.5.1. The entity monitors the implementation of the mitigation strategies included in the risk management plan. Monitoring includes:

- a. Documentation of actual performance in relation to indicators (see 3.4.4.3.3); and
- b. Input from relevant stakeholders, as necessary.

**NOTE FOR 3.4.5.1.** Requirement 3.4.5.1 in the 2018 Mining Standard included a requirement to collaborate with stakeholders on these elements.

3.4.5.2. The entity evaluates the effectiveness of its risk management plan in addressing the identified risk(s), including undertaking additional fact and risk assessments as needed to evaluate effectiveness,<sup>18</sup> and reports to senior management on effectiveness.

**NOTE FOR 3.4.5.2.** Combined requirement 3.4.5.1 in the 2018 Mining Standard, which mentioned effectiveness, and requirement 3.4.6.1 in the 2018 Mining Standard, which required reporting to senior management on the management plan and monitoring findings.

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<sup>18</sup> E.g., where the circumstances of the supply chain have changed or new information becomes available during the implementation phase.

3.4.5.3. When monitoring or evaluation reveal that risk management is not being effective, new mitigation strategies or actions are developed, integrated into the management plan, and implemented to more effectively manage the risks.

**NOTE FOR 3.4.5.3. REVISED.** Requirement 3.4.5.2 from the 2018 Mining Standard required new mitigation strategies or actions to be developed and integrated if monitoring revealed "that the operating company has unknowingly or unintentionally been complicit in armed conflict or serious human rights abuses in conflicted-affected or high-risk areas". We have simplified the language to encompass all situations where monitoring or evaluation reveals that risk management prove is not being effective.

### 3.4.6. Independent third-party audit of the entity's due diligence practices

**NOTE FOR 3.4.6. NEW.** The requirement in this new criterion is aligned with Step 4 of the OECD Due Diligence Guidance.

3.4.6.1. The entity commissions an independent, third-party audit of its due diligence practices.<sup>19</sup>

**NOTE FOR 3.4.6.1. NEW.** Step 4 of the OECD Due Diligence Guidance is addressed via the IRMA third-party assurance program. There are no additional specific steps for companies undergoing assessment against the IRMA Standard other than facilitating auditor access to the entity's site(s), documentation, records and, as appropriate, access to relevant stakeholders or contractors, such as on-the-ground assessment teams.

### 3.4.7. Reporting and Disclosure

**NOTE FOR 3.4.7.** Requirements in this criterion are aligned with Step 5 of the OECD Due Diligence Guidance.

3.4.7.1. Entities report annually and publicly on their supply chain due diligence with respect to implementation of the OECD Due Diligence Guidance 5-Step framework.<sup>20</sup> The report includes the following elements (as applicable):

- a. The location of the entity's publicly available supply chain policy and a description of the management and internal control systems that have been put into place to support due diligence (see 3.4.2);
- b. A description of the systems used for identifying red-flags, details of any actual red-flags identified and information on actual and/or potential Annex II risks (see 3.4.3); and
- c. Information on steps taken to enhance engagement with red-flag suppliers, where applicable, and to mitigate risks (see 3.4.4).

**NOTE FOR 3.4.7.1. NEW.** This was 3.4.6.2 in the 2018 Mining Standard.

3.4.7.2. Entities publish the risk assessment and risk management plan with due regard for protection of confidentiality and safety of people, confidential business information and other competitive concerns.

**NOTE FOR 3.4.7.2. NEW.** These expectations align with OECD Due Diligence Guidance Supplement on Tin, Tantalum and Tungsten (pages 45 and 53).

We have added a reference to consideration of the protection of people when determining the level of disclosure, as too much information could put certain populations in affected communities or workers at risk.

3.4.7.3. Entities publish summary audit report findings with due regard for protection of the confidentiality and safety of people, confidential business information and other commercial concerns.

**NOTE FOR 3.4.7.3. NEW.** These expectations align with OECD Due Diligence Guidance Supplement on Tin, Tantalum and Tungsten (page 53), and OECD Due Diligence Guidance Supplement on Gold (page 109). IRMA

<sup>19</sup> Step 4 of the OECD Due Diligence Guidance is addressed via the IRMA third-party assurance program. There are no additional specific steps for companies undergoing certification against the IRMA Standard for Responsible Mining, other than facilitating auditor access to company sites, documentation, records and, as appropriate, access to other relevant stakeholders, such as on-the-ground assessment teams

<sup>20</sup> Companies may publish a standalone report, or integrate this into an existing annual sustainability or corporate responsibly report.

requires that audit results are published, so if this chapter is audited in the IRMA system the entity will meet this requirement.

## NOTES

The most widely recognized due diligence framework for minerals sourced from conflict zones is the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (OECD Due Diligence Guidance).<sup>21</sup> The OECD Due Diligence Guidance forms the basis for the requirements in this chapter.

The risk of committing, contributing to or being linked to human rights violations is increased in conflict-affected and high-risk areas. IRMA Chapter 1.3—Human Rights Due Diligence is the primary chapter in this Standard that addresses IRMA’s expectations related to the unknowing or unintentional infringement of human rights. When projects/operations are located in conflict-affected or high-risk areas, entities must ensure that risks to or impacts on human rights are prevented, mitigated or remedied in a manner that conforms with requirements in Chapter 1.3.

Additionally, as mentioned in the Preamble to this draft Standard, IRMA has a draft Policy on Association under review in 2023 that describes when particularly serious actions by any entity engaged in IRMA create a context where IRMA could refuse to associate or could set conditions for association with those entities. In addition, IRMA is also exploring ways that an entity engaged in the IRMA system and the people concerned with impacts (local community members, Indigenous rights holders, purchasing customers, investors, government and others) might use IRMA’s system to support discussion on remedy of past harm.

IRMA reserves the right to delay audits for operations located in conflict-affected or high-risk areas if, through consultation with certification bodies, auditors and the entity, IRMA or certification bodies determine that armed conflict in the vicinity of a mine and/or mineral processing operation makes it impossible for auditors to safely visit the operation.

## 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.

#### 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.

<sup>21</sup> OECD. 2016. *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. (3rd Ed.) <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>



## **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.

## **Whistleblower**

A person who raises concerns regarding the unlawful or unethical activity or behavior of a person or organization.

## **EXISTING DEFINITIONS**

### **Artisanal and Small-Scale Mining (ASM)**

Formal or informal operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labor-intensive technology. ASM can include men and women working on an individual basis as well as those working in family groups, in partnership or as members of cooperatives or other types of legal associations and enterprises involving hundreds or thousands of miners. For example, it is common for work groups of 4-10 individuals, sometimes in family units, to share tasks at one single point of mineral extraction (e.g., excavating one tunnel). At the organizational level, groups of 30-300 miners are common, extracting jointly one mineral deposit (e.g., working in different tunnels), and sometimes sharing processing facilities.

### **Business Relationships**

Relationships a business enterprise has with business partners, entities in a value chain, and any other non-state or state entity directly linked to its business operations, products, or services. They include indirect business relationships in its value chain, beyond the first tier, and minority as well as majority shareholding positions in joint ventures.

### **Collaboration**

The process of shared decision-making in which all stakeholders constructively explore their differences and develop a joint strategy for action. It is based on the premise that, through dialogue, the provision of appropriate information, collectively defined goals, and the willingness and commitment to find a solution acceptable to all parties, it is possible to overcome the initially limited perspectives of what is achievable and to reach a decision which best meets the interests of the various stakeholders. At this level, responsibility for decision-making is shared between stakeholders.

### **Competent Professionals**

In-house staff or external consultants with relevant education, knowledge, proven experience, and necessary skills and training to carry out the required work. Competent professionals would be expected to follow scientifically robust methodologies that would withstand scrutiny by other professionals. Other equivalent terms used may include: competent person, qualified person, qualified professional.

**REVISED** Deleted reference to Chapter 4.1.

## 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.

## Conflict-Affected and High-Risk Area (CAHRA)

Areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars. High-risk areas are those where there is a high risk of conflict or of widespread or serious abuses of human rights as defined in paragraph 1 of Annex II of the OECD Due Diligence Guidance Area on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk (see source of definition, below). Such areas are often characterized by political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence, and violations of national or international law.

## Consultation

An exchange of information between an entity and its stakeholders that provides an opportunity for stakeholders to raise concerns and comment on the impacts and merits of a proposal or activity before a decision is made. In principle the entity should take into account the concerns and views expressed by stakeholders in the final decision.

## 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.

## Grievance

A perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities. For the purposes of the IRMA Standard, the words grievances and complaints will be used interchangeably.

**REVISED.** Added that IRMA Standard uses grievances and complaints interchangeably.

## Grievance Mechanism

Any routinized, state-based or non-state-based, judicial or non-judicial process through which project- or operation-related complaints or grievances, including business-related human rights abuses, stakeholder complaints, and/or labor grievances, can be raised and remedy can be sought. An operational- or project-level grievance mechanism is a formalized means through which individuals or groups can raise concerns about the impact of a specific project/operation on them—and can seek remedy.

**REVISED.** Changed wording from mining project to project- or operation-related, and added operation-level grievance mechanism to this definition.

## Leverage

Leverage is an advantage that gives power to influence. In the context of Chapter 1.3, it refers to the ability to effect change in the wrongful practices of the party that is causing or contributing to an adverse human rights impact.

Source: UN Office of the High Commissioner for Human Rights. 2012. *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*.

## Mitigation (including in relation to human rights impacts)

Actions taken to reduce the likelihood of the occurrence of a certain adverse impact. The mitigation of adverse human rights impacts refers to actions taken to reduce their extent, with any residual impact then requiring remediation.

## Serious Human Rights Abuses

Includes: i) any forms of torture, cruel, inhuman and degrading treatment; ii) any forms of forced or compulsory labor, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily; iii) the worst forms of child labor (as per ILO Convention 182); iv) other gross human rights violations and abuses such as widespread sexual violence; v) war crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

## Stakeholder

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.

## Suppliers

Providers of goods, services, or materials to a project/operation.

## Worker

All non-management personnel directly employed by the entity.

**REVISED.** Added that personnel are directly employed by the entity.