



Introduction to the IRMA Audit Firm Approval Process

04 December 2023

The CB Oversight Process

Today's Webinar

IRMA Audit Firm Approval Process

Agenda

- Welcome, introductions, and logistics
- About IRMA
- How IRMA Audits are Different
- The Oversight Process
- Q&A

What Makes IRMA Different?

1. **Equal Governing Authority:** At its core, IRMA aims to create value for, and garner trust from, all stakeholders.
2. **Detailed Requirements:** IRMA digs deep into the details of a mining operation at a level unparalleled in any other standard.
3. **Comprehensive Coverage:** IRMA covers all issues related to mining, is applicable to any mined material and can be used in any country.
4. **A Transparent Audit Process:** This enables a variety of stakeholders to participate through advance notice.
5. **An Inclusive Audit Process:** Auditors interview mine management, interview workers independently, and interview affected communities, rights holders, and government.
6. **Detailed, Public Audit Reports:** Reports are freely and publicly available on IRMA's website, allowing any stakeholder to review a mine's performance at any time.

IRMA is the only organization that hosts a mining standard and certification system that is **led by a multi-sector board using an equitable governance model** (i.e., each sector has the same voting rights).

Mining	Purchasing	NGOs	Organized Labor	Affected Communities	Investors and Finance
Jon Samuel (Anglo American)	Claudia Becker (BMW.)	Payal Sampat (Earthworks)	Meg Gingrich (United Steelworkers)	Pavel Sulyandziga (Batani Fund)	Ashley Hamilton Claxton (Royal London Asset Management)
Grace Barasso (ArcelorMittal)	J.J. Messner de Latour (Microsoft)	Jim Wormington (Human Rights Watch)	Glen Mpufane (IndustriALL Global Union)	Meschack Mbangula (Mining Affected Communities United in Action, South Africa)	Jamie Bonham (NEI Investments)

Who are the organizations demanding IRMA

Mining

- Albemarle Corporation
- Anglo American
- ArcelorMittal S.A. (Pending)*
- Carrizal Mining
- Livent Corporation
- SQM

Purchasers

- BMW Group
- Cast Operating Company
- Fairphone
- Ford Motor Company
- General Motors Company
- Intel
- Mercedes-Benz Group AG
- Microsoft Corporation
- Nothing
- Ørsted
- Rio Grande, Inc.
- Rivian
- Schaeffler Group
- Tesla, Inc.
- Tiffany & Co.
- Vivara
- Volkswagen AG
- ZincFive, Inc.

Mining Affected Communities

- Batani Foundation
- First Nations Women Advocating Responsible Mining (FNWARM)
- Mining Affected Communities United in Action (MACUA)
- Wilp Luutkudziiwus

NGOs

- Alliance for Tompotika Conservation (ALTO)
- Center for Environmental Governance
- Center for Science in Public Participation
- Earthworks
- Fauna & Flora International
- Foundation for Community Driven Development
- Geology in the Public Interest
- Gila Resources Information Project
- Good Governance Africa

NGOs, cont

- Great Basin Resource Watch
- Human Rights Watch
- IUCN Netherlands
- North of England Institute of Mining and Mechanical Engineers
- PACT
- Population and Development Initiative (PDI) Tanzania
- Rivers Without Borders
- Settle Ghana
- Society for Threatened Peoples
- Transport & Environment
- Zimbabwe Environmental Law Association (ZELA)

Labor

- IndustriALL Global Union (50 million workers, 140 countries)
- United Steelworkers (1.2 million workers)

Processors Working Group

- BASF
- Green Lithium
- Heraeus Precious Metals
- Itaipreziosi
- Qiandong Rare Earth Group Co., Ltd.
- SRE Vietnam Co., Ltd.
- Umicore SA/NV

Mining Industry Engagement In IRMA

As of Nov 2023

78 mining companies are engaged in the IRMA system representing **100 sites**:

- **58 are self-assessing the IRMA Standard**, the first step before independent audit
- **24 are piloting** the draft exploration or mineral processing standard self-assessments
- **18 are in the independent assessment system**: 14 audits are underway (South Africa, Senegal, Mozambique, Brazil, Chile, Argentina) and 4 initial audits have been published (Zimbabwe, Mexico, Chile)

Countries

1. Argentina
2. Australia
3. Brazil
4. Canada
5. Chile
6. Colombia
7. Dominican Rep.
8. Finland
9. France
10. Indonesia
11. Liberia
12. Mexico
13. Mozambique
14. Namibia
15. New Caledonia
16. Norway
17. Panama
18. Portugal
19. Philippines
20. Russia
21. Senegal
22. South Africa
23. Spain
24. Sri Lanka
25. Turkey
26. Ukraine
27. United States
28. Zambia
29. Zimbabwe

Materials

1. Aggregates
2. Barite
3. Bauxite
4. Cerium
5. Chromite
6. Chromium
7. Coal (metallurgical)
8. Cobalt
9. Copper
10. Diamonds
11. Europium
12. Feldspar
13. Gadolinium
14. Gold
15. Graphite
16. Iridium
17. Iron
18. Kyanite
19. Lanthanum
20. Lead
21. Limestone
22. Lithium
23. Magnesium
24. Mica
25. Mineral sands
26. Molybdenum
27. Monazite sand
28. Neodymium
29. Nickel
30. Osmium
31. Palladium
32. Praseodymium
33. Platinum
34. Potash
35. Quartz
36. Rare earth elements
37. Rhodium
38. Ruthenium
39. Samarium
40. Sand
41. Selenium
42. Silver
43. Staurolite
44. Sulphur
45. Talc
46. Tellurium
47. Titanium
48. Tourmaline
49. Vanadium
50. Xenotime
51. Zinc
52. Zircon

Mining Industry Combined

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ABOUT THE IRMA STANDARD

IRMA'S STANDARD

A voluntary standard of best practices **for large-scale mines**



The IRMA Standard for Responsible Mining (2018)

- 10 years in development
- Standard was developed through a robust multi-stakeholder process
- 2 global public consultations
- 1,500+ comments
- 2 field tests
- Many expert working groups
- Detailed road map for best practice

Revised Draft Standard
released
26 October 2023

Comment period open
until 26 January 2024

Reflection of Best Practice Norms

These existing initiatives form the basis of certain requirements in IRMA's Standards:

- OECD Due Diligence Guidance
- UN Guiding Principles on Business and Human Rights
- IFC Performance Standards
- Extractive Industries Transparency Initiative (EITI)
- Voluntary Principles on Security and Human Rights
- International Labour Organization (ILO) Conventions
- International Union for Conservation of Nature (IUCN) Protected Area Management Categories
- UNESCO Biosphere Reserves
- International Cyanide Code
- Minamata Convention on Mercury



Comprehensive coverage of mining issues

The IRMA Standard

Business Integrity

- Legal compliance
- Stakeholder engagement
- Stakeholder grievance mechanism
- Human rights due diligence
- Revenue transparency/ anti-corruption

Social Responsibility

- Labor rights
- Worker health & safety
- Community health and safety
- Conflict-affected areas
- Security arrangements
- Cultural heritage protection
- Artisanal and small-scale mining (ASM)

Planning for Positive Legacies

- Environmental and social impact assessment and management
- Free, Prior and Informed Consent
- Community support and benefits
- Resettlement
- Emergency preparedness and response
- Planning and financing reclamation and closure

Environmental Responsibility

- Water management
- Waste (tailings) management
- Air quality
- Greenhouse gases emissions
- Noise management
- Biodiversity, ecosystem services, protected areas
- Cyanide management
- Mercury management



IRMA Standard for
Responsible Mining
IRMA-STD-001

June 2018



ABOUT THE IRMA ASSURANCE PROCESS

IRMA Assessment Timeline



Estimated cost of the **Third Party Audits**

- The cost of initial audits is generally USD 120,000 –180,000
- Additional expenses could include:
 - Travel costs
 - Technical experts and interpreters
 - Verification of corrective actions
 - Report translation
- Cost factors include geography, location, scope of applicable chapters, mine type, complexity of the operation
- Effort is similar to IAF MD5 (for enviro, H&S) but IAF MD5 does not include social auditing

Audit team selection And approval

Auditors must be qualified

- Meaningful experience in mining or minerals
- Experienced auditor (including mining sector)
- Experience in audit subject area
- Familiarity with international standards
- Additional lead auditor qualifications
- IRMA training and approved for each audit

Team augmentation

- technical experts, project coordination, support staff, translators



No self-interest

- No potential for gain beyond the value of the audit

No self-review

- No auditing of one's own work

No familiarity

- No current or past personal or professional relationship with the site

No intimidation

- No real or perceived threats or coercion

IRMA Audits

Build Trust with Independence, Rigor, Engagement

Audit Firm Approval Process

Accredited or
Comparable

Independent Audit
Firms

Overseen by Third
Party

Witnessed Audits

Review and
Grievance Process

Auditor Training, Selection

On-Line: General
Training

On-Line: Technical
Subjects

Virtual Live: Role-
Specific Training

Technical expertise,
language capacity,
local experience,
global perspective

Multi- Stage Audit Process

Readiness
Assessment

Desktop Review

Public Information
Research

Stakeholder
Identification and
Outreach Planning

Deep Dive On-Site
Audit

On-Site Audit

35-40% of IRMA
requirements need
stakeholder input
during audit

Need for cultural
sensitivity and
awareness, language
capacity

Defined minimum
number of formal
worker interviews

Extensive external
engagement

Independent
verification against
each requirement

Reporting

Detailed
background on
region and
operations

Detailed description
of methodologies

Rating and rationale
for every
requirement

Translation for local
language(s)

Transparent,
published, global
audience

Audit Outcomes

What is published?

Site-Level Conformity Report:

- Indicates conformity or non-conformity against each requirement within the scope
- Can be just pass- fail, or levels of conformity (like IRMA)

- **IRMA audits provide detailed conformity reports, 100+ pages**

Non-Conformity Report:

- Corporate, group, or site-level reports
- Also referred to as “exception report”
- Most common report for non-financial auditing, generally brief, 5-15 pages

Rating Summary Report:

- Reports overall performance against broad categories, generally brief, 5-15 pages

Report Assurance Statement:

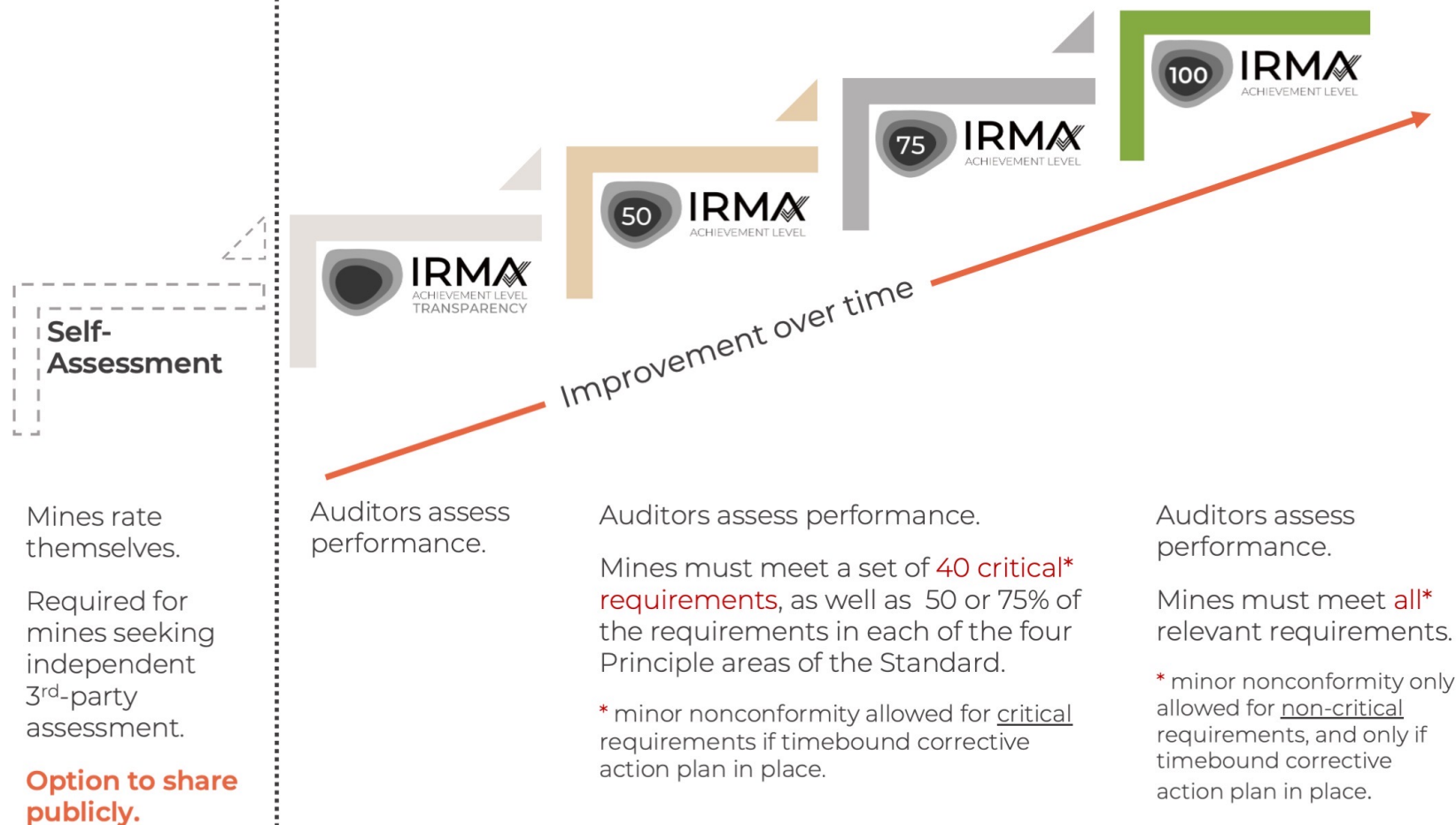
- Brief third-party statements re: accuracy of corporate or site-prepared report, generally 1-5 pages

Self-Assessment Report:

- Self-declarations of performance, sometimes accompanied by an external assurance statement

Not an
Achievement
Level

IRMA Achievement Levels



—Mines must undergo independent, 3rd-party audit and share results publicly to be able to make public claims about reaching an achievement level—

Where to get more information

IRMA Initiative for Responsible Mining Assurance

About ▾ What we do ▾ What you can do ▾ **Resources ▾** Contact us

Resources for Auditors

- Auditor Documents +
- Become an IRMA Independent Assessor +

Resources for Communities

- Community Toolkit - Bahasa
- Community Toolkit - English
- Community Toolkit - Español

Resources for Auditors

- Auditor Documents -

- [Assurance Committee Record of Decision](#) resolving Surveillance Audit related questions (June 23, 2022)
- Auditor Manual (Auditor Manual is under development. Refer to the [Assessment Manual for Mines](#) for an updated description of the IRMA independent audit process.)
- Standard Guidance Document (June 2023) – See [Standard Documentation & Guidance](#)
- [Auditor Guide to Mine Measure Tool](#) (July 2021)
- [Auditor Excel Reporting Template – Excel](#) (March 2022)
- [Certification Body Requirements v2.1](#) (July 2023). This document is being reviewed; however, these requirements are effective on the date of publication.
- [Oversight Procedure for Certification Bodies](#) (June 2023) is used by the external firm IRMA has selected to support the assessment of qualifications and conformity to the IRMA requirements.
- [Public Initial Audit Report Template – Word](#) (Feb 2022)
- [Public Surveillance Audit Report Template – Word](#) (July 2022)

FAQs (More details on web page)

- **How to apply?**

Complete the IRMA Certification Body Application Form and submit to IRMA.

- **Is there a deadline for submitting applications?**

No, applications will be received on an ongoing basis.

- **Does IRMA recognize other programs in lieu of approval by IRMA?**

IRMA does not have any specific reciprocity agreements with other standards bodies for approval.

- **Are there fees associated with becoming an approved certification body?**

There is an annual fee due to IRMA and costs associated with the oversight process due to ASI.

- **Do currently approved audit firms or auditors need to apply?**

Yes.

FAQs (More details on web page)

- **Can individual auditors apply?**

Yes, auditors can complete the IRMA Auditor Application Form and submit to IRMA.

- **Are there fees associated with becoming an approved auditor?**

No, but IRMA does provide required training, and there is a fee associated with training.

- **What qualifications do you have to meet to become an approved auditor?**

The auditor other team qualifications are presented in Annex B of the Certification Body Requirements.

- **When will the next IRMA training occur?**

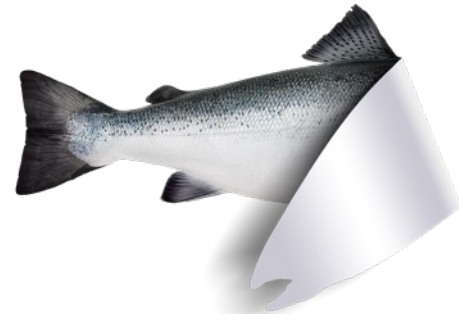
IRMA will be developing online training and live virtual training for 2024. Look for more information coming soon.

PROCESS OVERVIEW FROM ASI

asi

IRMA auditing firm approval and oversight process

05 December 2023
Marnie Bammert



assurance partner

Oversight

Integrity risk management

Advisory

Knowledge hub

With wide-ranging **decision-making** arrangements



Recommendations to scheme owner



working with IRMA

Advisory and Oversight

Collaboration started in 2017

Advising on certification body requirements and governance-related aspects of the IRMA program

Developing and now implementing the **Procedure for Oversight of Certification Bodies**

Procedure initially launched in May 2022

Has been **revised based on stakeholder feedback** to allow for approval of broader spectrum of auditing firms



3 routes to approval



Assessment for accredited CBs

- ISO 17021 or 17065 accreditation
- ASI assessment covers **crucial ISO 17021 requirements and all IRMA requirements** to appraise the CB's system



Combined assessment for non-accredited CBs

- ASI assessment covers **all of ISO 17021 and all IRMA requirements**
- Additional costs due to higher ASI effort

Approval is thought to take between 6 and 10 months, assessments follow the same process



Partnership between accredited and non-accredited CB

- IRMA activities carried out according to procedures of approved CB
- **No IRMA approval of non-accredited partner**

Application

IRMA checks CB application pack for completeness

Within 10 days of receipt

ASI reviews application pack, accepts or rejects applicant

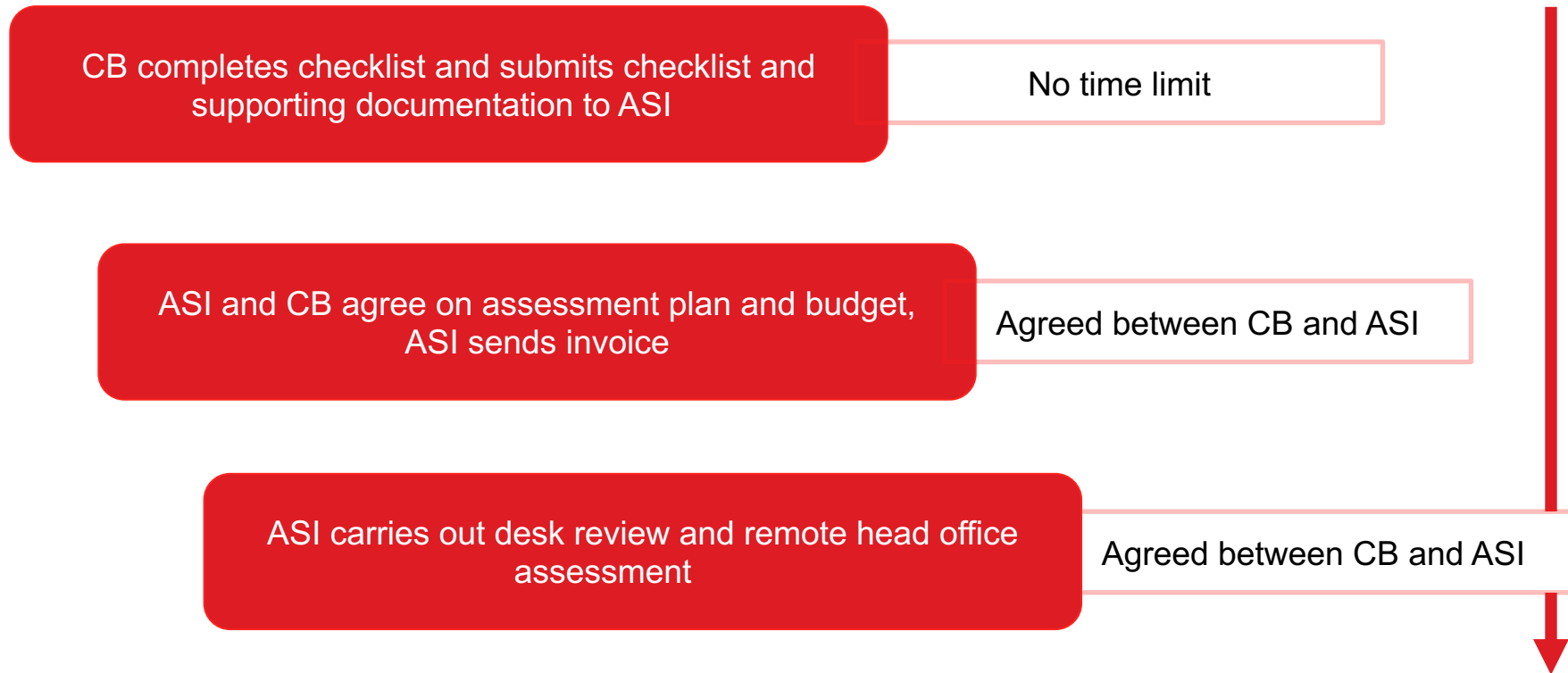
Within 30 days of receipt

If accepted, agreements signed between CB and IRMA, CB and ASI

No time limit



Head office assessment



Head office assessment contd.

ASI drafts assessment report and sends to CB and IRMA

Within 15 days of closing meeting

CB checks report for errors of fact

Within 15 days of receipt

ASI sends final report to CB and IRMA

Within 5 days of receipt



Assessment follow-up and approval

CBs with no non-conformities

Recommended to IRMA Assurance Committee for approval

CBs with minor non-conformities

Root cause analysis and corrective action plan

Recommended for approval

Close existing minor non-conformities within 12 months

CBs with major nonconformities

Root cause analysis and CAP within 1 month

Close existing major non-conformities within 3 months

Recommended for approval

Maintaining approval

Baseline assessment frequency is:

- 1 (on-site) witness assessment per year
- 1 head office surveillance assessment in 5-year cycle

Re-approval process to start 6 months prior to end of cycle

Same process as for initial approval

IRMA will conduct **CB performance reviews**

ASI will recommend sanctions if sustained problems

Sanctions comprise:

- Formal warnings
- Additional monitoring at expense of CB
- Suspension of all or part of approval scope
- Withdrawal of approval



Approximate cost for ASI oversight

Activity	Approx. fees	Notes
Applicant desk review	€ 1,575 for accredited CBs	Preparation, off-site evaluation, report writing and technical review
	€ 3,150 for non-accredited CBs	
Head office assessment	€ 2,520 for accredited CBs	Preparation, off-site evaluation, report writing and technical review
	€ 5,040 for non-accredited CBs	
Witness assessment	€ 5,775 to 11,025	Fee will depend on risk Review of stage 1 outcomes, witnessing of partial stage 2 audit with preparation, on-site evaluation, report writing and technical review
Nonconformity follow-up	€ 525 -1050	Will vary based on number of NCs If no NCs, may be € 0

Non-accredited CB partnering with an approved CB

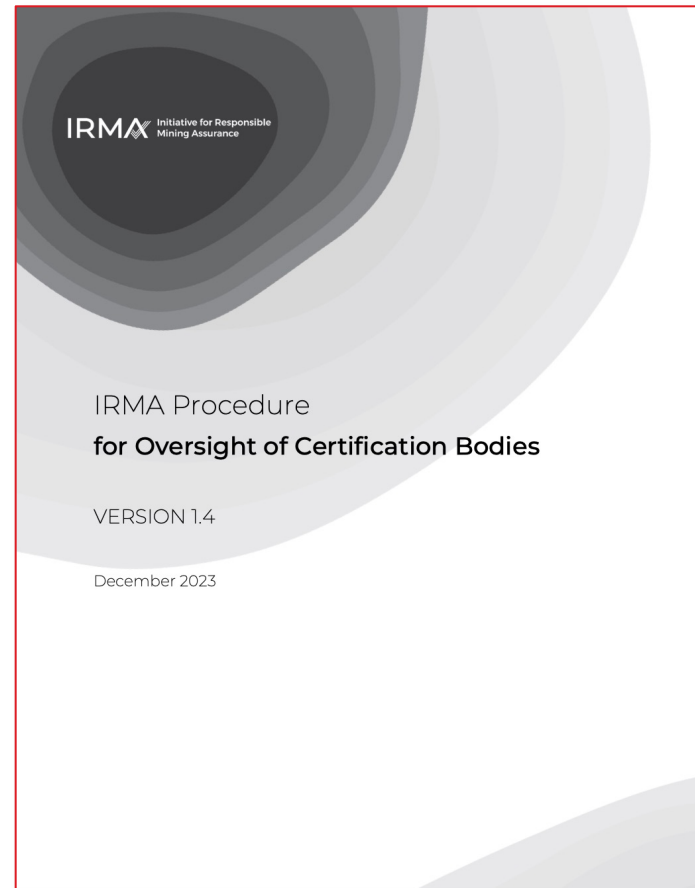
Key decisions must rest with approved CB:

- Site assessment scope expansion and reduction
- Maintaining, suspending, withdrawing, and downgrading levels of achievement

Agreement to be in place between the parties.

Must cover, for example, the need to:

- Conform with IRMA requirements
- Apply approved CB's procedures
- Use IRMA-approved personnel only
- Allow periodic internal audits by the approved CB
- Allow periodic head office and on-site witness assessments by IRMA or ASI
- Promote services as 'in partnership with'



Thank you!

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