

March 2024

Questions & Answers

IRMA audits of Anglo American's Kolomela and Sishen Iron Ore Mines

Do IRMA audits certify these mining operations as "responsible"?

IRMA audits do not "certify" nor do they declare at what point a site becomes "responsible" or "sustainable." The IRMA system is built to facilitate transparent conversation about mine impacts, at a table where civil society and labor have voice equal to the private sector, and to create greater value to the reduction of harm. The IRMA process also creates incentives for reducing waste, supporting a circular economy, addressing inequity in the use and benefits of mined materials, and supporting innovation that reduces the need for new extraction

In doing this audit, Anglo American volunteered their operations to be measured against a standard more rigorous, requiring more public engagement, and more transparent sharing of results than any other global standard. It is an act of leadership and commitment to increasing dialogue across diverse stakeholder sectors and with Indigenous rights holders.

How does IRMA compare to other standards and how does achievement in IRMA differ?

IRMA's audit reports offer more independently verified information and insights into a mine's performance than any other system. The IRMA Standard requirements are detailed, specific and comprehensive, providing clear visibility into a mine's operations. This level of transparency is new for the industry and provides immense value for civil society, labor unions, investors, and purchasers alike.

A lack of specificity and clear reporting creates opacity and potential risks, as it becomes difficult to objectively assess which mine's operations truly align with best practice. Transparency is the first critical step

toward the IRMA's ultimate goal: to drive improved practices in mining.

Does an IRMA audit mean that a mine or a waste impoundment is "safe"?

An IRMA audit doesn't declare a waste impoundment or a mine "safe" or "unsafe". An IRMA audit measures how an operation's performance compares to best practices at a moment in time, and transparently reports the results to the public. The audit reports provide unprecedented transparency so that stakeholders can make informed decisions about what actions to take regarding a mining operation.

The IRMA Standard has 26 chapters, one of which focuses on waste management. Chapter 4.1 contains 28 requirements that address the risks that tailings and other mine waste (e.g. waste rock piles), present to affected communities, the ecosystems they rely on, and worker safety. Because of recent waste disasters, IRMA is reviewing closely this chapter, and tracking the work of the Global Industry Standard on Tailings Management, to integrate into IRMA's ongoing Standard update the latest best-practices that affirm human safety as the foremost priority in waste management.

What does IRMA 75 mean?

IRMA 75 means a mine has been independently audited and met 75% of the requirements within each of the four principle areas of the IRMA Standard—business integrity, positive legacies, and social and environmental responsibility. [A mine receiving IRMA 75 must meet all of IRMA's critical requirements.](#)

I'm a mining company contemplating doing an independent audit – if I do one, will civil society appreciate my effort, or just further criticize our work? Is this level of transparency going to be appreciated or just greater risk for us?

Trust is deeply broken between many mining companies and the stakeholders and Indigenous rights holders impacted by their operations. Key to building trust is sharing information, being responsive to concerns about impacts, and demonstrating timely responsiveness to community and worker concerns.

Changing the current context won't happen overnight. We appreciate the effort of companies voluntarily stepping forward during this time of change and uncertainty to increase sharing of information, making commitments to improve practices, and showing positive progress.

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

Many stakeholders and Indigenous rights holders don't trust auditors or audit processes, broadly speaking. Could there have been "cheating" or inappropriate influence of auditors involved in this process?

IRMA and the two firms approved to do IRMA audits are aware of deep distrust of auditors and the audit process. In many cases, what has historically been described as "independent audits" are actually consulting work done by experts hired to serve a particular company. IRMA audits are different from these type of consulting contracts in several ways.

To date, IRMA has approved, trained, and worked closely with just two firms (Applications for new firms to join are now being accepted). While the mining company must pay for the costs of the audit, the right to do an IRMA audit is conferred by IRMA. IRMA can remove that right to audit if a firm has not met expectations in terms of competency, has not demonstrated freedom from conflict of interest, and is not working in service to the IRMA system and its

commitment to all stakeholders and Indigenous rights holders.

IRMA-approved audit firms must be accredited to ISO 17021 or a similar standard for third-party auditing and are required to meet several strict requirements associated with maintaining impartiality and managing conflict of interest. These include prohibiting such audit firms from also providing consulting or internal auditing services to a site being audited, requirements to assess risks to impartiality and procedures to protect against conflict of interest, and recommendations for prohibiting certain relationships for a period prior to providing auditing services. Accredited audit firms are assessed annually by their accreditation body, and management of conflict of interest is a key component of this assessment. Audit firms that fail to properly manage and preserve impartiality risk losing their accreditation and therefore their ability to provide third party auditing.

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

It's best to ask this question to each mining company engaged to hear their perspective. To date, the first mining companies engaging in IRMA audits have done so because their local community members have asked them, or a customer or investor has asked. Mining companies are evaluating which standards systems bring the greatest value for the time and effort to engage. While the IRMA process is more rigorous, which requires more time and financial investment to participate—and while the high-bar requirements don't yield an easy pass, mining companies are finding that this type of robust assessment is better informing the specific improvements sought by those most affected by their operations.

How can governments/regulators use this report?

A voluntary initiative like IRMA will never replace, nor be as valuable, as the role that governments serve, and the laws they set which apply to all operators. Where mining companies have agreed to do an independent IRMA audit, they are often sharing information on performance beyond legal compliance. We encourage mining companies and their regulatory government agencies to communicate together about the information shared in the IRMA audit report.

IRMA staff offer our time in direct support to government staff who want to learn more about the IRMA Standard and cross-stakeholder definitions for best practices to drive more responsible mining practices. We support governments doing gap analysis work to measure where IRMA goes beyond regulatory structure.

How can purchasers of mined materials, like a car maker, or investors in mining companies use, these audit reports? What can companies buying materials from this operation say about their sourcing?

Purchasers of mined material, and investors in mining companies, can use IRMA audit reports to better understand environmental and social impacts at operations that supply materials they buy or companies in which they invest. We encourage purchasers and investors to take an in-depth look at audit reports to understand the scores and performance for each chapter. No voluntary initiative's results replace the expectations expressed by the OECD and other international institutions for purchasers and investors to do their own due diligence to understand risks in the supply chain and to be active participants to reduce harm.

In being audited, Anglo American and other companies doing IRMA audits are sharing with purchasers, investors, workers, and civil society metrics on their performance for more than 20 different areas of impact. This means that interested readers can understand more, and ask for further insights, so that performance isn't just about single issues like greenhouse gas emissions, or worker health and safety, or protecting water resources—but can be evaluated against a comprehensive range of issues relevant for large-scale mining.

As purchasers and investors learn more about mining companies' operations, they can encourage sites to

further share information on impacts, seek context and ask for improvement in areas of challenge, and value areas of strong performance. They can appreciate the effort Anglo American has made to be audited and can encourage further dialogue between the company and its stakeholders and Indigenous rights holders.

In terms of specific sourcing claims, IRMA has a new draft Chain of Custody Standard which when finalized will provide a way to independently audit a purchaser's supply chain and ensure claims of responsible sourcing can be verified.

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

The information in this audit report represents the work of an audit firm to measure a mining company's performance against IRMA's Standard for Responsible Mining. The Standard includes more than 400 requirements – it's more rigorous and detailed than any other mining standard in the world. It's also the only audit of large-scale mines that involves public notice and encouragement of workers and community members to participate in the audit.

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

If you have questions or concerns that information in the report isn't accurate, or if you have information and opinions different than what you read here, we encourage you to contact IRMA to make it more accurate: <https://responsiblemining.net/feedback>

Companies participating in IRMA audits are sharing a broad range of information with more transparency than has ever been done. Their effort is a work in progress and will further improve as direct communication increases between mining companies and the people most affected by their operations

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

IRMA engagement is increasing direct dialogue and information sharing between mining companies and diverse stakeholders and Indigenous rights holders.

If you have questions about the mining operations' practices, we encourage you to contact: Pranill Ramchander, Executive Head of Corporate Affairs: Pranill.ramchander@angloamerican.com, or Benjie Moremi, Social Performance Specialist: Benjie.moremi@angloamerican.com.

If you have questions about the process that auditors followed or the evidence they reviewed, contact the audit firm ERM CVS at post@ermcvs.com

If you have questions about the IRMA Standard and the metrics there for measuring mining company performance, or IRMA rules for auditing, or IRMA's governance, accountability or other aspects of how the IRMA system works, please [contact IRMA](#).

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

What are the next steps for Anglo American and for IRMA?

With this independent, third-party verified information, a new opportunity is created for a conversation between the mine, area residents, workers, customers, investors, and other stakeholders to explore priorities for improvement.

Anglo American's Kolomela and Sishen operations will need to be audited again in three years to maintain recognition in IRMA, with an interim surveillance audit in the next 18 months. The company can choose to have them audited sooner if it would like to demonstrate verified improvements more quickly.

For more information

IRMA Kolomela audit page:
<https://responsiblemining.net/kolomela>

IRMA Mototolo audit page:
<https://responsiblemining.net/sishen>

IRMA Unki audit page:
<https://responsiblemining.net/unki>

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Or visit responsiblemining.net