

June 18, 2024

Earthworks

1612 K St., NW
Suite 904
Washington, D.C. 20006

Dear Payal, Paulina and Ellen,

Thank you for the feedback you provided to the IRMA Secretariat on April 29, 2024 regarding the independent audit for Albemarle.

IRMA's Issues Resolution System is designed to understand the issues that are brought to IRMA's attention and get them resolved in an efficient, accountable and fair manner. Because the issues you raised were foremost with the audit process, we shared your letter with ERM CVS who have provided a written response. We wanted to provide a supplementary response from IRMA directly as well, to explain the steps the IRMA Secretariat will take regarding the important points you raises as they relate to the IRMA Standard and the policies and procedures governing the assurance process.

1. Lack of transparency in terms of the elective corrective action period

The optional early corrective action period in IRMA's system is designed to create a space for sites to receive an initial score from auditors and to have the opportunity to make improvements prior to disclosing the results. And we can see already that this is driving improved practices at mine sites in real time.

We should highlight that independent auditors neither recommend corrective actions to sites nor guarantee the efficacy of proposed corrective actions. This is a fundamental expectation for independent third-party auditing, to maintain clear separation between auditing and consulting/advisory services. What auditors can share are where they found gaps between company practices compared to full conformity with the rigorous requirements in the IRMA Standard. With that information, we hope that the mining company, and those with interest/concern about their operations, including Indigenous rights holders, workers, labor unions, government, NGOs, customers and others may look at those gaps and be in direct communication about the areas where each most wants to see improvements. We know for some affected communities the issue of greatest important might be blowing dust, for another it might be a water issue. IRMA's goal is to bring transparency to each specific mine site's areas of strength as well as gaps at the site, and make that a tool for Indigenous rights holders and others to speak directly with a company about improved practices.

You will, however, find public transparency for corrective actions related to the 40 requirements IRMA deems "critical" for mine sites who receive an achievement level of IRMA 50 or IRMA 75. If there are any critical requirements where a site only "substantially" met one or more critical requirement, they must prepare a corrective action plan for how they will move to "fully meets" by the surveillance audit (within 18 months), and this which is shared along with the public report. You can find the corrective action plans in Appendix B in the audit packet.

With that said, we acknowledge your request for increased transparency on what early corrective actions were implemented (and those that were not). We will share this recommendation with

the Assurance Committee of the Board, and together explore this and other opportunities to increase trust with civil society at each step in the process.

2. Short time for on-site part of the audit

IRMA has not previously defined the required number of audit days nor the required number of auditors, given that individual mine sites vary significantly in scale, complexity, and range of impacts. We recognize that greater clarity could be provided by auditors in the audit report so stakeholders and rights-holders can understand if there were any contextual factors shaping participation numbers, for instance if this was due to few people living in the impacted area, if people were unwilling to speak, or if the methods of outreach were unsuccessful. We have communicated this expectation to auditors to improve this clarity and transparency in future audit reports. We know we have work to do before audits are even announced, helping communities and workers understand who/what IRMA is, how an audit increases attention to their concerns and also increases their access to verified information on the mine site's operation. If communities better understand the IRMA system, and trust that it may bring value to their interests, and what to expect in the process, they can be informed and actively choose whether or not to participate. We know that more engagement will make for audit reports that better reflect the range of experiences with that operator.

3. Reliance on self-reporting by the company without independent verification of key documents

In general, we agree that auditors should not be defaulting to company-based evidence. The IRMA Standard does not currently require auditors to independently verify the quality of documents like the environmental and social impact assessment (ESIA). Auditor verification of the quality of company reports like that is an area that will benefit from additional clarification and specificity in the Standard.

In the draft updated IRMA Standard that has been undergoing public review and comment, it was proposed that auditors verify that these reports be conducted by competent professionals. We consider your letter as a clear recommendation that the revised Standard should go even further.

4. References in audit report to otherwise undisclosed external reports.

This is a legitimate concern. We can see that documents cited in audit reports and relied upon to justify a score or conclusion will be of interest to those most directly affected by a mining or mineral processing operation.

I want to draw your attention to several specific requirements in IRMA's Standard.

IRMA's [Chapter 1.2 on Community and Stakeholder Engagement](#):

1.2.4. Communications and Access to Information

1.2.4.1. Any information that relates to the mine's performance against the IRMA Standard shall be made available to relevant stakeholders upon request, unless the operating company deems the request to be unreasonable or the information requested is legitimate confidential business information. If part of a document is confidential only that confidential part shall be redacted, allowing for the release of non-confidential information.

1.2.4.2. If original requests for information are deemed unreasonable, efforts shall be made by the operating company to provide stakeholders with overviews or summaries of the information requested.

1.2.4.3. Communications shall be carried out and information shall be provided to stakeholders in a timely manner, and shall be in formats and languages that are culturally appropriate and accessible to affected communities and stakeholders.

1.2.4.4. If requests for information are not met in full, or in a timely manner, the operating company shall provide stakeholders with a written justification for why it has withheld information. (Emphasis added)

The reason we're drawing your attention to these requirements is to indicate expectations in the IRMA Standard that mining companies should share documents of interest with stakeholders and Indigenous rights holders. We encourage you to request access to the Miller and Chevalier human rights risk assessment, Sebastian Donoso report, 2016 Archeology Report, mentioned in the Albemarle audit. You may share reference to these expectations in the IRMA Standard when you make your request. We understand that some reports, especially those related to cultural heritage or community agreements, may be confidential based on commitments to Indigenous rights holders.

While an IRMA audit is a snapshot in time, companies remain directly accountable to people most impacted by their operations and we encourage you to engage the company directly. We hope to positively influence an evolution where mining companies and communities are in frequent direct communication, and where information is easier to access, communities have independent technical support to analyze documents, and that this becomes an increasingly constructive rather than frustrating process.

5. Reliance on *convenios* (agreements) as verification of Free, Prior and Informed Consent (FPIC) requirements.

We agree that there is great opportunity to build capacities within the audit teams regarding best practices in terms of assessing the implementation of Indigenous rights protections like the right to free, prior, and informed consent (FPIC). We know this requirement is one of the most important for civil society and one of the more difficult for auditors to assess. And IRMA's auditors have asked for it specifically. We have dedicated additional time to this Chapter in the recent auditor trainings and will be developing a standalone, dedicated learning module that will supplement the general auditor training program. We would welcome your involvement as the draft module comes together.

6. Need to increase opportunities for community participation and Improve accessibility of feedback mechanism/s

We agree that the degree to which individual community members participated in the audit (either based on invitation, interest, or formal representation within recognized governance body) plays a significant part in the confidence in the conclusion of the audit. IRMA Secretariat has invested significant additional resources in community and worker outreach, meeting in person with community leaders to go through the audit reports, receiving feedback from Indigenous rights-holders and NGOs like yourselves, individual community members, and feedback from governments.

We know that IRMA's accountability to Indigenous rights holders, workers, and NGOs is of value not only to civil society and labor, but also to the companies audited, their investors, and the companies who use the materials mined. We welcome IRMA member organizations like Earthworks to use your networks to also build interest.

We will continue to prioritize direct community outreach, piloting new community facing materials, and future auditor training. IRMA's equal governance model means we are directly accountable to you, and others in your constituency, and we are grateful for the time you've put into holding the IRMA system accountable.

Again, we hope we have identified and responded to each of the concerns you raised. If not, please let us know and we will respond accordingly.

Yours sincerely,



Aimee Boulanger
Executive Director