



Initiative for Responsible
Mining Assurance

EXCERPT FROM THE **IRMA Standard**

for

Responsible Exploration, Extraction,
and Processing of Minerals

→ **2nd DRAFT** ←

for public consultation

CHAPTER 1.4 – Upstream and Downstream Sustainability
Due Diligence

IRMA Standard v2.0 DRAFT 2

July 2025

English Version

Disclaimer and Context on this Draft

The 2nd DRAFT Version of the IRMA Standard for Responsible Exploration, Extraction, and Processing of Minerals V2.0 (hereafter referred to as the “2nd DRAFT”) is being released for public consultation, inviting the world to join once again in a conversation around expectations that drive value for greater environmental and social responsibility in mining and mineral processing.

The 2nd DRAFT does not represent content that has yet been formally endorsed by IRMA’s equally-governed multi-stakeholder Board of Directors. IRMA’s Board leaders seek the wisdom and guidance of all readers to inform this through an inclusive revision process one more time, to improve the Standard.

This draft document builds on the 1st DRAFT Version published in October 2023, and invites a global conversation to improve and update the 2018 IRMA Standard for Responsible Mining V1.0. This 2nd DRAFT is intended to provide as final of a look-and-feel as possible, although input from this consultation will result in final edits, and consolidation to reduce overall number of requirements (more on this on page 6), for a version that will be presented to IRMA’s equally-governed multi-stakeholder Board of Directors for adoption and implementation.

This 2nd DRAFT has been prepared and updated by the IRMA Secretariat based on:

- learnings from the implementation of the current IRMA Standard (V1.0)
- experience from the [first mines independently audited](#) (as of July 2025, 24 sites have completed audits or are in the process of being audited)
- evolving expectations for best practices in mining to reduce harm
- comments and recommendations received from stakeholders and Indigenous rights-holders
- the input of subject-specific Expert Working Groups convened by IRMA between 2022 and 2024
- all comments and contributions received during the public-comment period of the 1st DRAFT version (October 2023-March 2024)

Please note that 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 exploration, extraction, and processing of minerals happens.

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.

This current 2nd DRAFT is based on content already in practice in the IRMA Standard for Responsible Mining V1.0 (2018) for mines in production, and its accompanying normative Guidance document and Supplementary Guidance, combined with the content drafted in the IRMA Standard for Responsible Mineral Development and Exploration (‘IRMA-Ready’ Standard – Draft v1.0 December 2021) and in the IRMA Standard for Responsible Minerals Processing (Draft v1.0 June 2021), and offers an updated version of the 1st DRAFT Version of the IRMA Standard V2.0 that received over 2,500 unique points of comments between 2023 and 2024.

Please note: The IRMA Standard V2.0 is new in its approach in that it now covers more phases of the mining and mineral supply chain, from exploration and development, through mining, closure, and mineral processing. IRMA also, separately, oversees a [Chain of Custody Standard](#) for tracking materials through the supply chain from mine-to-market end use products.

Disclaimer on Language and Corrections

For this public consultation, only an English version is available. A Glossary of Terms used in this Standard is provided at the end of the full version of the document (see below). 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.

This document provides only one chapter excerpt from the IRMA Standard v2.0 DRAFT 2.

The full version contains 27 Chapters, [click here](#) to view it.

Objectives of this 2nd public consultation

Following the release of a 1st DRAFT of the IRMA Standard V2.0 in October 2023 for a 90-day public consultation, the IRMA Secretariat received more than 2,500 points of comments from 82 organizations, then organized additional engagement with stakeholders and Indigenous rights-holders, and solicited complementary guidance from multiple topic-specific Expert Working Groups.

We [anticipated](#) release of this 2nd DRAFT for a second round of public consultation as early as Q3 2024, then subsequently [announced](#) that more time was needed to support engagement of diverse stakeholders; the revised release date was July 2025. We provided more detailed explanation for the extended process [here](#) and [here](#).

IRMA Mining Standard: a journey



The release of this 2nd DRAFT marks a significant milestone on the road to the revision of the IRMA Standard: this public consultation will be the last of this revision cycle on V2.0.

Informed by the outcomes of this public consultation, along with guidance from Expert Advisors and IRMA Working Groups (see more below), and additional engagement with Indigenous rights-holders and stakeholders as requested, the IRMA Secretariat will prepare a final version. This final version will be discussed by the IRMA Board and refined to reach consensus for adoption by all six governing houses of IRMA: Affected Communities including Indigenous Rightsholders; Environmental and Social NGOs; Organized Labor; Finance and Investment Professionals; Mining Companies; Purchasers of Mined Materials.

In IRMA's strategic decision-making, Board members work to achieve consensus. IRMA believes a majority vote is not a model of equal governance. Instead, any motion that results in both of the two representatives from the same governing house voting "no" must go back to the full group for further discussion. In other words, a proposed course of action cannot proceed if both representatives from one of our six governing houses are opposed. Board members will keep talking until a resolution that works for all groups is found. It is a model that has worked for IRMA for nearly two decades and is fundamental to IRMA's credibility, accountability and service to all six houses of governance.

What is IRMA seeking guidance on?

Comments, feedback, and suggestions are welcome on any aspect of this 2nd DRAFT version (including intent and text of the requirements, endnotes, annexes, format and structure, design, readability, etc.).

IRMA is particularly interested in hearing the views of rights-holders and stakeholders on **the provisions in the Standard that are substantially new compared to the IRMA Standard for Responsible Mining V1.0**. These provisions (requirements or at a sub-requirement level) are highlighted in yellow throughout this Draft, to ensure they are easily identifiable.

We ask readers to assist us in weighing these potential new provisions, and also hold awareness that, prior to adoption of the final version, many of these will be consolidated and reduced in overall number.

Although these new requirements have each been drafted in response to lessons learned, the current state of best practices, emerging expectations, and/or in response to requests and suggestions made during the previous public consultation, collectively they represent substantive increased expectations for both implementing entities and audit firms. The IRMA Board of Directors seeks to ensure that the IRMA Standard, while recognized the world's most rigorous and comprehensive mining standard, continue to welcome and support uptake of newcomer companies engaging from the mineral supply chain around the world.

Thus, in this consultation, we seek guidance from all on **the new provisions that seem most urgent** to be integrated in the final version of the Standard V2.0, so that the revised Standard's expectations are paced at a realistic level to support engagement of mineral operations of a range of sizes, materials and global contexts.

It is important to note that all new requirements and sub-requirements, including those not retained in the final V2.0, will serve as the basis for the ongoing review process once the V2.0 is approved and released by our Board, and will provide fodder for future revisions, when it is decided that a V2.1 or V3.0 is needed.



Chapter 1.4

Upstream and Downstream Sustainability Due Diligence

SECOND DRAFT (JULY 2025): SUMMARY OF CHANGES

- Not applicable: this Chapter is new.
- Note that the requirements in this Chapter that are NOT optional (i.e. not IRMA+) draw extensively from existing content found in the previous draft Chapters 1.3 (Human Rights Due Diligence) and 3.4 (Conflict-Affected and High-Risk Area Due Diligence).

RESPONSE TO CONSULTATION QUESTIONS OUTLINED IN FIRST DRAFT

Not applicable: this Chapter is new.

BACKGROUND

The mineral sector is a cornerstone of almost all industries and sectors globally, from infrastructure and energy to transport and agriculture, and to technology and defense. However, its activities —spanning exploration, extraction, mineral processing, trading and distribution— pose significant environmental, social, and economic challenges. Addressing these challenges requires comprehensive sustainability due diligence, encompassing both upstream and downstream phases of the mineral supply chain. Key international frameworks to frame such due diligence include the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and their accompanying OECD Due Diligence Guidance for Responsible Business Conduct; while a growing number of national and regional laws and regulations have been (or are being) passed.

Upstream sustainability due diligence involves assessing and mitigating risks and impacts associated with the supply of services and goods. Though not limited to it, this includes the often-challenging issue of the supply of input minerals to mineral processing operations, including sourcing from artisanal and small-scale mining operations. The OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “OECD Guidance”) has been providing internationally-recognized guidance to address some of its most difficult challenges (see also Chapter 1.5).

Downstream sustainability due diligence pertains to the assessment and mitigation of risks and impacts associated with the sale, processing, distribution, and use of a site’s mineral production/products. Although still seen as an emerging best practice, downstream due diligence is covered by the principles and expectations set out in the UN Guiding Principles on Business and Human Rights and in the OECD Due Diligence Guidance For Responsible Business Conduct, as recently reminded by the Office of the UN High Commissioner for Human Rightsⁱ.

The integration of upstream and downstream due diligence is essential for achieving a holistic approach to sustainability and responsibility in the mineral sector. This integrated approach offers several benefits:

ⁱ <https://www.ohchr.org/sites/default/files/documents/issues/business/2022-09-13/mandating-downstream-hrdd.pdf>



CHAPTER 1.4 – Upstream and Downstream Sustainability Due Diligence

- Comprehensive Risk Management: Addressing risks across both upstream and downstream entities and stages provides a complete view of potential challenges and impacts, enabling more effective mitigation strategies.
- Enhanced Transparency and Accountability: Coordinated due diligence efforts improve transparency and accountability throughout the supply chain, building trust with stakeholders including consumers, investors, and regulatory authorities.
- Improved Sustainability Performance: A unified approach to sustainability due diligence enhances overall performance, supporting the achievement of broader environmental, social, and economic goals.

Upstream and downstream sustainability due diligence are essential for promoting responsible practices within the mineral sector. By addressing environmental and social risks and impacts across the entire supply chain, these practices help mitigate adverse effects and ensure a more sustainable and responsible industry. Integrating due diligence efforts throughout the supply chain leads to improved transparency, risk management, and overall sustainability performance.

As the mineral sector continues to evolve, the importance of robust sustainability due diligence practices will remain paramount in promoting a responsible and sustainable industry.

KEY REFERENCES

This chapter strongly builds on, or aligns with, the following international or multilateral frameworks, conventions, and guidance:

- United Nations Guiding Principles for Business and Human Rights
- International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, 2023 Edition
- OECD Due Diligence Guidance for Responsible Business Conduct, 2018 Edition
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition
- OECD Handbook on Environmental Due Diligence in Mineral Supply Chains, 2023

OBJECTIVES OF THIS CHAPTER

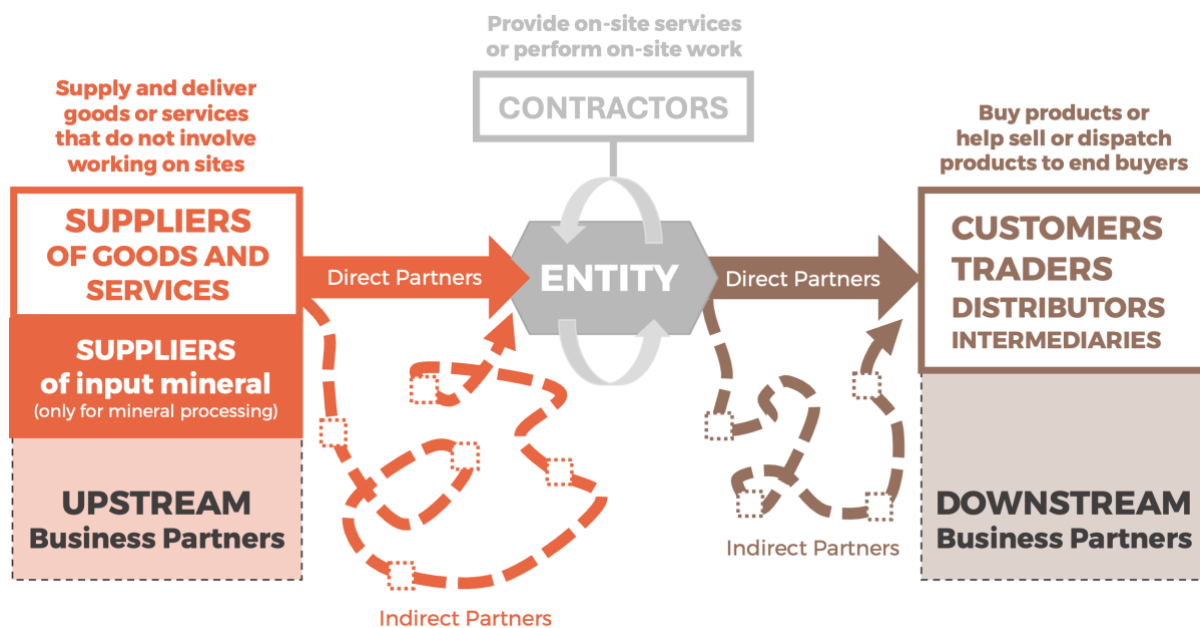
To ensure all indirect and direct business partners, including suppliers of input minerals, respect human rights and prevent environmental and social risks and impacts along the ENTITY's chain of activities.

SCOPE OF APPLICATION

This Chapter is applicable to all exploration, mining and mineral processing projects and operations.

This Chapter is focused on the responsibility of the ENTITY in conducting due diligence on both its upstream (i.e. suppliers) and downstream (i.e. customers, traders, distributors, intermediaries), direct and indirect, business partners. Due diligence on the operations and activities of the ENTITY itself and of its contractors (who provide on-site services or perform on-site work) is fully addressed in Chapter 1.3, also aligned with the UN Guiding Principles. Figure 1.4 clarifies the terminology used to differentiate the ENTITY and its on-site Contractors from upstream and downstream business partners. An ENTITY may develop and implement one unified due diligence system that encompasses the requirements set in both Chapters 1.3 and 1.4. In any case, companies and auditors should not view these chapters as silos, but as two complementary and interconnected aspects.

FIGURE 1.4. Scope and Terminology related to on-site Contractors, Upstream and Downstream Business Partners (direct and indirect), highlighting the focus of Chapter 1.4.



For mineral processing operations, suppliers of input mineral require a particular attention, as mineral sourcing decisions may contribute differently to potential conflicts where those minerals are being mined and transported through (besides the general upstream and downstream sustainability due diligence that is required for all suppliers, i.e. of input mineral and others). For those mineral processing operations, a specific set of requirements is included, aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereafter referred to as "OECD Guidance").

The rest of the Chapter is applicable to all exploration, mining, and mineral processing projects and operations, and is fully aligned with the originally-approved version of the 2024 EU Directive 2024/1760 on Corporate Sustainability Due Diligence (hereafter referred to as 'EU CSDDD'). This Chapter offers a faithful transposition of all the EU CSDDD criteria applicable to companies into a set of measurable, assessable, and comparable performance requirements.

The EU CSDDD was initially approved in July 2024, and was due to enter in force in 2027. The European Commission's proposal in February 2025 to fast-track an "omnibus sustainability rules simplification package" and the subsequent vote by the European Parliament to "stop the clock" on key requirements have since changed the applicability of the scope and effective start date of the CSDDD. At the time of the release of this DRAFT, an agreement had not been reached on the final version.

All those requirements aligned with the original EU CSDDD are designated as **IRMA+** and therefore are entirely optional (see more below and greater context in the introduction to the IRMA Standard for how mining companies may choose to be measured against IRMA+ requirements). Entities seeking compliance with the original version of the EU CSDDD should consider these requirements as an integral part of their compliance journey (i.e. and not 'optional').

Given the above, this means for exploration and mining projects/operations (without on-site co-located mineral processing, and without commercial relationships with ASM), there are only five requirements in this Chapter that are mandatory: Formal commitment to ensure risk-based sustainability due diligence across business partners (1.4.1.1); Code of Conduct for business partners (1.4.2.1); Scoping (1.4.3.1 and 1.4.3.2); and Identification of Conflict Affected and High-Risk Areas (1.4.5.1).



CHAPTER 1.4 – Upstream and Downstream Sustainability Due Diligence

Note that the requirements of this Chapter are only applicable to the activities and business relationships that relate to the specific project/operation that is being audited, not all of the ENTITY’s activities and business relationships (i.e. related to other sites, countries and/or business segments).

The categories of risks and adverse impacts that need to be considered are listed in [Annex 1.4-A](#) (see Chapter Annexes).

For each requirement, the following colors are displayed in the margin to indicate the phases for which it is required:

E1	Exploration – Stage 1
E2	Exploration – Stage 2
E3	Exploration – Stage 3
D	Project Development and Permitting
M	Operating Mine
P	Operating Mineral Processor

CRITICAL REQUIREMENTS IN THIS CHAPTER

Throughout the Standard, critical requirements are identified using a red frame. There are two (2) **critical requirements** in this Chapter.

OPTIONAL IRMA+ REQUIREMENTS IN THIS CHAPTER

Throughout the Standard, optional IRMA+ requirements are identified using a dotted blue frame. There are twenty (20) **optional IRMA+ requirements** in this Chapter.

In this second draft, IRMA introduces a new category of requirements: IRMA+. These requirements are aspirational and forward-looking. They reflect emerging expectations and recommendations from stakeholders, but currently go above and beyond existing and established best practice. IRMA+ requirements are entirely optional, and they will not affect the scores and achievement levels obtained by the entities choosing to be assessed against them.



ISSUES UNDER CLOSE WATCH (EYE ICON)

Mineral Supply Chain Controls and Transparency:

The supply of input mineral for mineral processing operations is often a complex and challenging topic, especially when entities wish to ensure that their feedstock minerals are extracted, transported, and handled in a responsible way and do not cause, or contribute to, conflicts. Learning from previous drafts, the experience of other standard-setting organizations and schemes that have aligned their expectations with the OECD Guidance, IRMA proposes to include similar requirements, also aimed at being fully aligned with the OECD Guidance. Given the difficulties faced by standards and audit systems specialized in this topic, it is with great humility that we propose to apply this set of IRMA requirements to mineral processing sites that will adopt the IRMA V2.0 Standard. The corresponding requirements under Section 1.4.4–Mineral Supply Chain Controls and Transparency (1.4.4.1 to 1.4.4.10) have therefore been signaled with an ‘eye icon’ to ensure that IRMA closely monitor their relevance, and their implementation as the Standard V2.0 is applied. This is also intended to ensure IRMA will review associated challenges and needed decision more quickly if necessary. Note that these requirements are not ‘optional’ (unlike IRMA+).

In parallel, IRMA remains committed to collaborating with those established specialized audit systems, such as the RMI’s mineral-relevant Responsible Minerals Assurance Process Responsible Sourcing Due Diligence Standard for Mineral Supply Chains (RMAP) and the CCCMC’s Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (CCCMC Guidelines) to explore potential cross-recognition, joint audits, and other synergies.

Alignment of this Chapter with the Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain of the OECD Guidance is available on our website (click on the link): [Mapping of IRMA Standard V2.0 2nd DRAFT against the OECD Guidance for Responsible Supply Chains](#).



IRMA Requirements

1.4.1 Formalized Policy



1.4.1.1 The ENTITY has a formal policy in place¹ that:

- a. Commits to ensure risk-based sustainability due diligence with respect to the operations carried out by its direct and indirect ~~business partners~~, both upstream and downstream²;
- b. Contains a description of the ENTITY's approach, including in the long term, to upstream and downstream due diligence, to address actual and potential human rights, social and environmental risks and adverse impacts listed in Annex 1.4-A.
- c. Is in line with the UN Guiding Principles on Business and Human Rights, and where applicable with the OECD Guidance³;
- d. Contains a description of the measures taken to verify compliance with the Code of Conduct referred to in 1.4.2. and to extend that Code's application to all the ENTITY's ~~business partners~~;
- e. Is developed in prior consultation with the ENTITY's ~~workers~~ and their representatives;
- f. Is approved at the top management level of the ENTITY;
- g. Is proactively shared with personnel, ~~contractors~~, suppliers, customers, direct and indirect ~~business partners~~, and other relevant parties linked to the project/operation and the Entity's chain of activities⁴;
- h. Is publicly accessible;
- i. The ENTITY has allocated financial and staffing resources⁵ to oversee and implement this policy at the level of the project/operation.

1.4.2 Code of Conduct

1.4.2.1 The ENTITY has a Code of Conduct (or equivalent) in place, developed by competent professionals, that describes the human rights, social, labor, and environmental rules and principles to be followed:

- Throughout its **own** operations;
- Throughout its direct and indirect **upstream** business relationships (suppliers); and
- Throughout its direct and indirect **downstream** business relationships (customers, traders, distributors, intermediaries).

1.4.2.2 IRMA+

This Code of Conduct clearly describes how the ENTITY will, where relevant:

- Seek from its **direct business partners** contractual assurances that they will ensure compliance with the ENTITY's Code of Conduct and, as necessary, a prevention and/or corrective action plan;
- These contractual assurances (a.) include establishing corresponding contractual assurances from their partners, to the extent that those partners' activities are part of the ENTITY's chain of activities;
- Seek from its **indirect business partners** contractual assurances with a view to achieving compliance with the ENTITY's Code of Conduct and, as necessary, a prevention and/or corrective action plan⁶;
- This Code of Conduct describes how the contractual assurances referred to in a. to c. will be accompanied by appropriate measures to verify compliance⁷.

1.4.3 Scoping

1.4.3.1 Critical Requirement

A scoping process is undertaken by competent professionals to analyze and understand the ENTITY's chain of activities. This process includes:

- A mapping of the ENTITY's direct business partners, both upstream and downstream;
- A mapping of the ENTITY's indirect business partners, both upstream and downstream; and
- Identification of general areas where human rights, social, and environmental adverse impacts listed in [Annex 1.4-A](#) are most likely to occur and to be most severe across the Entity's chain of activities.

1.4.3.2 The scoping process determines whether the ENTITY plans to source/purchase, or actually sources/purchases, minerals from ASM entities or individuals.



1.4.4 Mineral Supply Chain Controls and Transparency

- P 1.4.4.1** For Mineral Processing operations, the scoping process required in 1.4.3.1 and 1.4.3.2 is informed by the information required in Section 1.4.4 (1.4.4.2 to 1.4.4.4), to determine potential “red flags” as defined in the OECD Guidance and available in [Annex 1.4-B](#):
- The scoping process determines and documents any red flag location of mineral origin and transit;
 - The scoping process determines and documents any supplier red flag; and
 - The scoping process determines and documents any general red flag circumstances.
- P 1.4.4.2** For Mineral Processing operations, the ENTITY has a chain of custody and/or traceability system in place that collects⁸ and maintains the following information:
- All taxes, fees or royalties paid to government for the purposes of extraction, trade, transport and export of minerals;
 - Any other payments made to governmental officials for the purposes of extraction, trade, transport and export of minerals;
 - All taxes and any other payments made to public or private security forces or other armed groups at all points in the supply chain from extraction onwards;
 - The ownership (including beneficial ownership) and corporate structure of the exporter/s, including the names of corporate officers and directors;
 - The business, government, political or military affiliations of the company/ies and officers;
 - The mine/s of mineral origin;
 - Quantity, dates and method/s of extraction (artisanal and small-scale or large-scale mining);
 - Locations where minerals are consolidated, traded, processed or upgraded;
 - The identification of all upstream intermediaries, consolidators or other actors in the upstream supply chain;
 - Transportation routes; and
 - Records of all this information (a. to j.) are kept for a minimum of five years.
- P 1.4.4.3** If the ENTITY conducts mineral re-processing operations, it also collects⁹ and maintains the following information:
- All export, import and re-export documentation, including records of all payments given for the purposes of export, import and re-export;
 - All taxes and any other payments made to public or private security forces or other armed groups;
 - The identification of all immediate supplier/s (local exporter/s);
 - All information provided by local exporter/s; and
 - Records of all this information (a. to d.) are kept for a minimum of five years.

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1.4.4.4 For Mineral Processing operations, the ENTITY can demonstrate that it:

- a. Avoids, where practicable, cash purchases; and
- b. Ensures that all unavoidable cash purchases of minerals are supported by verifiable documentation and preferably routed through official banking channels.

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1.4.4.5 For Mineral Processing operations, to strengthen its engagement with mineral suppliers the ENTITY can demonstrate that it:

- a. Establishes, where practicable, long-term relationships with suppliers as opposed to short-term or one-off contracts in order to build leverage over suppliers;
- b. Communicates to suppliers its expectations on responsible supply chains of minerals from conflict-affected and high-risk areas;
- c. Incorporates the supply chain policy and due diligence processes required in this Chapter into commercial contracts and/or written agreements with suppliers which can be applied and monitored, including, if deemed necessary, the right to conduct unannounced spot-checks on suppliers and have access to their documentation; and
- d. Identifies opportunities to build capabilities of suppliers to improve their sustainability performance and conform to the Entity's supply chain policy, and where applicable, designs measurable improvement plans with relevant suppliers¹⁰.

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1.4.4.6 For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY's mineral supply chain, the ENTITY:

- a. Assesses the context of conflict-affected and high-risk areas within its mineral supply chain(s) (under way and planned);
- b. Clarifies the chain of custody, the activities and relationships of all upstream suppliers;
- c. Identifies the locations and qualitative conditions of the extraction, trade, handling and export of the mineral;
- d. Assesses the factual circumstances and specific risks¹¹ associated with conflict-affected and high-risk areas within its mineral supply chain against: 1) The ENTITY's supply chain policy and standards; 2) National laws of the countries where the ENTITY is domiciled or publicly-traded (if applicable), of the countries from which the minerals are likely to originate, and of transit or re-export countries; 3) Legal instruments governing company operations and business relations, such as financing agreements, contractor agreements, and supplier agreements; and 4) Other relevant international instruments, such as the OECD Guidelines for Multinational Enterprises, international human rights and humanitarian law; and
- e. Ensures that any reasonable inconsistency between a factual circumstance and the instruments listed in d. is considered a risk with potential adverse impacts.



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1.4.4.7 For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY's mineral supply chain, the ENTITY:

- a. Reports all information¹² gained and maintained pursuant to the due diligence requirements articulated in this Chapter, including the findings of the mineral supply chain risk and impact assessment required in Section 1.4.5¹³, to the responsible top management staff (see 1.4.1.1.h);
- b. For all the minerals from a "red flag location of mineral origin and transit", makes all information¹⁴ gained and maintained pursuant to the due diligence requirements articulated in this Chapter, available to downstream purchasers¹⁵ and auditors
- c. Also makes all this information (b.) available to any institutionalized mechanism (regional, or global once in place) with the mandate to collect and process information on minerals from conflict-affected and high-risk areas.

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1.4.4.8 Critical Requirement

For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY's mineral supply chain, the ENTITY can demonstrate that:

- a. It does not knowingly or intentionally cause, contribute to, or is linked to, conflict or the infringement of human rights;
- b. It does not knowingly provide direct or indirect support to non-state armed groups or their affiliates, public security forces, or private security forces who: 1) Illegally control mine sites, transportation routes and upstream actors in the supply chain; and/or 2) Illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; and/or 3) Illegally tax or extort intermediaries, export companies or international traders.
- c. Building on Section 1.4.5, a prevention, mitigation, and remediation plan (or equivalent) has been developed by competent professionals to prevent, mitigate, and remediate all the potential and actual human rights, social, and environmental impacts identified within the Entity's mineral supply chain, in accordance with Requirements 1.4.7.1 to 1.4.7.5¹⁶;
- d. Whenever a mineral supplier involved in potential or actual adverse impacts is identified as an SME, the ENTITY ensures that it provides targeted and proportionate support to this SME, where necessary in light of the resources, knowledge and constraints of the SME, in accordance with Section 1.4.8¹⁷; and
- e. Suspension and Termination of Business Relationships with mineral suppliers is handled in accordance with Section 1.4.9¹⁸.

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1.4.4.9 For Mineral Processing operations, ~~affected rights-holders and stakeholders~~ have access to a grievance mechanism to raise, and seek resolution or remedy for, complaints and ~~grievances~~ specifically related to the ENTITY's ~~suppliers~~ of mineral feedstock¹⁹, as follows:

- a. A ~~grievance~~ mechanism through which ~~affected rights-holders and stakeholders~~ can raise, and seek resolution or remedy for, complaints and ~~grievances~~ specifically related to the ENTITY's ~~suppliers~~ of mineral feedstock are in place;
- b. This ~~grievance~~ mechanism is rights-compatible²⁰;
- c. ~~Affected rights-holders and stakeholders~~ have been informed about the existence and functioning of this ~~grievance~~ mechanism, as well as of other relevant mechanisms²¹;
- d. The Entity ensures that the following stakeholders are informed about, and have access to, this mechanism: 1) Natural or legal persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact, and the legitimate representatives of such persons on behalf of them, such as civil society organizations and Rights Defenders; 2) Trade unions and other ~~workers'~~ representatives representing natural persons working in the chain of activities concerned; and 3) Civil society organizations that are active and experienced in related areas where an adverse human rights and/or environmental impact is the subject matter of the complaint;
- e. If the operational-level ~~grievance~~ mechanism developed as per Chapter 1.6 (Complaints and Grievance Mechanism and Access to Remedy) is used as the mechanism to receive complaints and ~~grievance~~ specifically related to the ENTITY's ~~suppliers~~ of mineral feedstock, the Entity fully meets all requirements in Chapter 1.6²²; and
- f. If a separate mechanism is created to handle only human rights complaints and ~~grievances~~, it is established and management in a manner that fully meets all requirements in Chapter 1.6.

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1.4.4.10 For Mineral Processing operations, the ENTITY makes and maintains ~~publicly accessible~~ an annual supply chain due diligence report that includes, in conformance with the OECD Guidance:

- a. Its Mineral Supply Chain Policy (see 1.4.1);
- b. Details about its Management Systems for Mineral Supply Chain Due Diligence (see 1.4.1, 1.4.2, and 1.4.4);
- c. Details about its Mineral Supply Chain Risk Assessment (see 1.4.3, 1.4.4, and 1.4.5);
- d. Details about its Mineral Supply Chain Risk Management (see 1.4.4); and
- e. Details about its Mineral Supply Chain Performance Tracking (see 1.4.12 and 1.4.13)²³.

1.4.5 Risk and Impact Assessment

- 1.4.5.1** Building on 1.4.3, and 1.4.4 where applicable, an in-depth risk and impact assessment is carried out by competent professionals to identify whether any of the ENTITY's business relationships²⁴ may be the cause of, or contribute to, or may take place in an area with confirmed or suspected presence of:
- Armed conflict²⁵, widespread violence, widespread human rights abuses or other risks of harm to people;
 - Political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, or widespread violations of national or international law; and
 - The ENTITY has a system in place to ensure that, if and whenever this in-depth assessment identifies any of the ENTITY's business relationships to be the cause of, or contribute, or to take place in an area with confirmed or suspected presence of, any form of such conflicts or high risks (as per sub-requirements a. and b), heightened due diligence is carried out by competent professionals in accordance with Chapter 1.5.

- 1.4.5.2 IRMA+** This in-depth assessment identifies and assesses potential impacts (hereafter referred to as "risks") and actual impacts on the human rights, social, and environmental issues listed in [Annex 1.4-A](#), from the ENTITY's business partners. It includes:
- A comprehensive list of the risks and impacts identified related to the operations of the ENTITY's business partners, based on a review of the human rights, social, and environmental issues listed in [Annex 1.4-A](#);
 - An evaluation of the severity of each identified actual impact, and of the likelihood for and potential severity of each identified risk;
 - For each identified potential and actual upstream and downstream human rights, social, and environmental impacts, a determination of whether the potential or actual adverse impact may: 1) be caused only by the ENTITY; 2) be caused jointly by the ENTITY and business partner, through acts or omissions; or 3) be caused only by an ENTITY's business partner in the chain of activities;
 - Where relevant, a determination of the ability of the ENTITY to influence the business partner that may cause or jointly cause the potential or actual adverse impact; and
 - Recommended measures that can be taken by the ENTITY to prevent all identified potential and actual impacts and, if not possible to prevent them, to mitigate²⁶ and to remediate them²⁶.

- 1.4.5.3 IRMA+** This in-depth assessment:
- Is informed by relevant internal and/or external human rights, social, and environmental expertise, incorporate analysis of credible independent reports and sources of information;
 - Includes an explanation of the assessment methodology;
 - Where necessary information can be obtained from business partners at different levels of the chain of activities, the ENTITY prioritize requesting such information, where reasonable, directly from business partners where the adverse impacts are most likely to occur; and
 - Where it is not feasible to prevent, mitigate, bring to an end or minimize all identified adverse impacts (as per 1.4.5.1.a) at the same time and to their full extent, it identifies the adverse impacts the ENTITY will prioritize, based on their severity and likelihood²⁷.

1.4.6 Commercial Relationships with ASM²⁸

- 1.4.6.1** If the ENTITY proposes to source/purchase, or actually sources/purchases minerals from ASM entities or individuals (hereafter referred to as 'ASM organizations'), the ENTITY:
- Identifies the legal status of these ASM organizations and maintains commercial relationships only with those engaged in legitimate ASM²⁹;
 - Regularly assesses the safety, social and environmental risks and impacts related to the ASM organizations with whom it may have or has a commercial relationship, in accordance with Section 1.4.5 to the extent possible³⁰; and
 - Collaborates with those ASM organizations with whom it can legally and legitimately engage, to develop and implement a plan to eliminate or mitigate the most significant risks³¹ and, over time, address other social and environmental risks related to those ASM operations, in accordance with Section 1.4.7 to the extent possible.
- 1.4.6.2** If the ENTITY proposes to source/purchase, or actually sources/purchases minerals from ASM organizations, the ENTITY also:
- Monitors and evaluates, at least annually, the effectiveness of its mitigation strategies, and adapts plans as necessary to facilitate continued minimization of risks, in accordance with Sections 1.4.12 and 1.4.13 to the extent possible;
 - Participates in, or supports, initiatives that promote the professionalization, formalization and/or certification of ASM organizations, and supports development opportunities for ASM communities, as appropriate to the situation; and
 - Offers fair commercial terms to all ASM suppliers³².

Note: from this point onwards, the rest of this Chapter is entirely optional³³ (IRMA+)

1.4.7 Prevention, Mitigation, and Remediation Plan

1.4.7.1 IRMA+

Building on 1.4.3, 1.4.4 where applicable, 1.4.5, and other relevant sources of information³⁴, and without undue delay, a prevention, mitigation, and remediation plan (or equivalent) is developed by competent professionals to prevent, mitigate, and remediate all upstream and downstream risks and impacts on human rights, social, and environmental issues identified. The plan:

- Outlines the agreed specific measures to prevent or neutralize and, where prevention is not possible or not immediately possible, to adequately mitigate all risks and adverse impacts;
- Where it is necessary to prioritize measures to address risks and adverse impacts, it first seeks to prevent and mitigate those that are most severe or where delayed response would make them irreparable, as per 1.4.5.3.d; and
- Includes qualitative and quantitative performance criteria and indicators (including gender-disaggregated indicators and other categories of disaggregated indicators where appropriate), linked to adequate baseline data, to enable monitoring and evaluation of the effectiveness of measures over time.

1.4.7.2 IRMA+

In order to prevent risks and impacts, and where prevention is not possible or not immediately possible, to minimize and mitigate them, this plan ensures that the ENTITY, where relevant:

- Seeks contractual assurances from any **direct business partner** involved that it will ensure compliance with the company's Code of Conduct (required in Section 1.4.2), and, as necessary, a prevention and/or corrective action plan, including by establishing corresponding contractual assurances from its partners, to the extent that their activities are part of the ENTITY's chain of activities;
- Seeks contractual assurances from any **indirect business partner** involved with a view to achieving compliance with the ENTITY's Code of Conduct and, as necessary, a prevention and/or corrective action plan;
- Accompany such contractual assurances (a. and b.) by appropriate measures to verify compliance³⁵;
- Makes necessary financial or non-financial investments in, adjustments or upgrades of, for example, facilities, production or other operational processes and infrastructures;
- Makes necessary modifications of, or improvements to, the ENTITY's own business plan, overall strategies and operations, including purchasing practices, design and distribution practices; and
- In compliance with applicable laws and regulations, including competition laws, collaborates with other companies and organizations, including, where relevant, in order to increase the ENTITY's ability to prevent or mitigate the adverse impact, in particular where no other measure is suitable or effective.



1.4.7.3 IRMA+

This plan ensures that the ENTITY also assesses the possibility of, and where possible integrates measures to, where relevant:

- Engaging with any involved business partner about the ENTITY's expectations with regard to preventing and/or mitigating potential adverse impacts;
- Providing or enabling access to capacity-building, guidance, and/or administrative support, while taking into consideration the resources, knowledge and constraints of the business partner; and
- Providing or enabling access to financial support such as loans or financing, while taking into consideration the resources, knowledge and constraints of the business partner.



1.4.7.4 IRMA+

Where **actual** upstream or downstream human rights, social, and/or environmental adverse impacts have arisen in connection with a direct or indirect business partner, this plan ensures that:

- The ENTITY develops and implements measures to provide remediation, to the greatest extent possible in collaboration with affected rights-holders and stakeholders. If mutually acceptable remedies cannot be found through dialogue, the ENTITY attempts to reach agreement through an independent, third-party mediator or another means mutually acceptable to affected rights-holders and stakeholders;
- Where the ENTITY does not bear the sole responsibility of the impacts, it mitigates and remediates them to the extent of its contribution, and uses its leverage to influence any direct or indirect business partner involved to mitigate and remediate the remaining impacts; and
- Where the actual adverse impact is caused only by ENTITY' business partner/s, the ENTITY uses its leverage to influence any business partner that is causing the adverse impact to provide remediation, and the ENTITY assesses the possibility of, and where possible integrates measures to provide voluntary remediation company to affected rights-holders and stakeholders.



1.4.7.5 IRMA+

To ensure effective implementation of this prevention, mitigation, and remediation plan, the ENTITY:

- Assigns implementation of measures to responsible staff with adequate skills and expertise;
- Assigns responsibility to its top management level to oversee plan implementation, monitoring, and recordkeeping³⁶;
- Has clearly-defined timelines and an implementation schedule in place that specifies the expected outcomes;
- Maintains estimates of human resources and budget required; and
- Has a financing plan in place to ensure that funding is available for the effective implementation of the plan.

1.4.8 Relationship with Small and Medium Enterprises (SMEs)

1.4.8.1 IRMA+

If and whenever a business partner involved in potential or actual adverse impacts is identified as an SME, the ENTITY has a system in place to ensure that it provides targeted and proportionate support to this SME, where necessary in light of the resources, knowledge and constraints of the SME, through:

- a. Providing or enabling access to capacity-building;
- b. Training or upgrading management systems; and
- c. Where compliance with the Code of Conduct or prevention or mitigation action plans would jeopardize the viability of the SME, by providing targeted and proportionate financial support, such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing.

1.4.9 Suspension and Termination of Business Relationships

1.4.9.1 IRMA+

The ENTITY has a system in place to ensure that, as a last resort, when all the measures required in Sections 1.4.7 and 1.4.8 have failed to prevent or adequately mitigate any potential or actual adverse impact that has arisen in connection with a direct or indirect business partner:

- a. The ENTITY refrains from entering into new or extending existing relations with this business partner;
- b. The ENTITY adopts and implements an enhanced prevention action plan (or equivalent) for the specific adverse impact without undue delay, by using or increasing the ENTITY' leverage through the temporary suspension of business relationships with respect to the activities concerned, provided that there is a reasonable expectation that those efforts will succeed³⁷; and
- c. If there is no reasonable expectation that those efforts would succeed, or if the implementation of the enhanced prevention action plan has failed to prevent or mitigate the adverse impact, the ENTITY terminates the business relationship with respect to the activities concerned if the potential adverse impact is severe.

1.4.9.2 IRMA+

The ENTITY has a system in place to ensure that:

- a. Where it decides to temporarily suspend or to terminate a business relationship as per 1.4.9.1, it takes steps to prevent, mitigate or bring to an end the impacts of the suspension or termination;
- b. It provides reasonable notice to the business partner concerned (a.);
- c. It keeps that decision under review (a.);
- d. Where it decides **not** to temporarily suspend or terminate the business relationship as per 1.4.9.1, it monitors the potential adverse impact;
- e. It periodically assesses its decision (d.); and
- f. It periodically assesses whether further appropriate measures are available.

1.4.10 Meaningful Engagement with Stakeholders



1.4.10.1 IRMA+

In accordance with Chapter 1.2, the ENTITY has a system in place to ensure that relevant stakeholders are consulted at the following stages of the upstream and downstream sustainability due diligence process:

- When gathering the necessary information on actual or potential adverse impacts, in order to identify, assess and prioritize adverse impacts as per Section 1.4.5;
- When developing prevention and corrective action plans as per Section 1.4.7;
- When developing enhanced prevention and corrective action plans as per Section 1.4.9;
- When deciding to terminate or suspend a business relationship as per Section 1.4.9;
- When adopting appropriate measures to remediate adverse impacts as per Section 1.4.7; and
- As appropriate, when developing qualitative and quantitative indicators as per Section 1.4.7.



1.4.10.2 IRMA+

To ensure an effective and meaningful engagement with stakeholders on upstream and downstream sustainability due diligence, this system ensures that the ENTITY proactively shares with them, in accordance with Section 1.2.2:

- Relevant and comprehensive Information about the ENTITY's upstream and downstream risk and impact assessment as per Section 1.4.5;
- Relevant and comprehensive Information about the development and implementation of the ENTITY's upstream and downstream prevention, mitigation, and remediation plan as per Section 1.4.7; and
- Relevant and comprehensive information about the content and implementation of the ENTITY's system to suspension and terminate of business relationships with direct or indirect business partners with which potential or actual adverse impacts have arisen as per Section 1.4.9.



1.4.10.3 IRMA+

This system also ensures that:

- Where it is not reasonably possible to carry out effective engagement with stakeholders to the extent necessary to comply with the requirements of this Chapter, the ENTITY consults additionally with experts who can provide credible insights into actual or potential adverse impacts, upstream and downstream the ENTITY's chain of activities;
- In consulting stakeholders, the ENTITY identifies and addresses barriers to engagement, in line with Section 1.2.5; and
- Participants are not the subject of retaliation or retribution, including by maintaining confidentiality or anonymity, and for participants who are workers or workers' representatives engagement occurs without prejudice to applicable employment and social rights as well as to any applicable collective agreements.

1.4.11 Complaints Procedure

1.4.11.1 IRMA+

Affected rights-holders and stakeholders have access to a grievance mechanism to raise, and seek resolution or remedy for, complaints and grievances specifically related to the ENTITY's upstream and downstream business partners, as follows:

- a. A grievance mechanism through which affected rights-holders and stakeholders can raise, and seek resolution or remedy for, complaints and grievances specifically related to the ENTITY's upstream and downstream business partners are in place;
- b. This grievance mechanism is rights-compatible³⁸;
- c. Affected rights-holders and stakeholders have been informed about the existence and functioning of this grievance mechanism, as well as of other relevant mechanisms³⁹;
- d. The Entity ensures that the following stakeholders are informed about, and have access to, this mechanism: 1) Natural or legal persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact, and the legitimate representatives of such persons on behalf of them, such as civil society organizations and Rights Defenders; 2) Trade unions and other workers' representatives representing natural persons working in the chain of activities concerned; and 3) Civil society organizations that are active and experienced in related areas where an adverse human rights and/or environmental impact is the subject matter of the complaint;
- e. If the operational-level grievance mechanism developed as per Chapter 1.6 (Complaints and Grievance Mechanism and Access to Remedy) is used as the mechanism to receive complaints and grievance specifically related to the ENTITY's upstream and downstream business partners, the Entity fully meets all requirements in Chapter 1.6; and
- f. If a separate mechanism is created to handle only complaints and grievances related to the ENTITY's upstream and downstream business partners, it is established and managed in a manner that fully meets all requirements in Chapter 1.6.

1.4.11.2 IRMA+

The ENTITY can demonstrate that

- a. This grievance mechanism and/or other mechanisms (1.4.1.11) are rights-compatible⁴⁰;
- b. The relevant rights-holders and stakeholders (see 1.4.1.11) have been informed about the existence and functioning of this grievance mechanism (or other mechanisms).
- c. If the operational-level grievance mechanism developed as per Chapter 1.6 (Complaints and Grievance Mechanism and Access to Remedy) is used as the mechanism to receive complaints and grievance specifically related to ENTITY's upstream and downstream business partners, the Entity fully meets all requirements in Chapter 1.6.
- d. If a separate mechanism is created to handle only human rights complaints and grievances, it is established and management in a manner that fully meets all requirements in Chapter 1.6.

1.4.12 Monitoring and Evaluation



1.4.12.1 IRMA+

To monitor and evaluate the implementation and effectiveness of its prevention, mitigation, and remediation plan, the ENTITY:

- a. At least annually, monitors and evaluates its performance, over successive time periods, against the criteria and indicators defined in 1.4.7.1 and informed by stakeholder engagement as per 1.4.10.1;
- b. At least annually, monitors and evaluates how the measures developed and implemented as per 1.4.7.1 to 1.4.7.3 are adequately and effectively preventing, and where prevention is not possible or not immediately possible, mitigating **potential** upstream and downstream human rights and environmental adverse impacts; and
- c. At least annually, monitors and evaluates how the measures developed and implemented as per 1.4.7.4 are adequately and effectively preventing, and where prevention is not possible or not immediately possible, mitigating or remediating **actual** upstream and downstream human rights and environmental adverse impacts.



1.4.12.2 IRMA+

The monitoring and evaluation process:

- a. Encourages and facilitates joint tracking or joint fact-finding with affected rights-holders and stakeholders/rights-holders
- b. Includes specific facilitation measures to include people from different genders, ages, ethnicities, and disabilities;
- c. Includes specific facilitation measures to include any potentially underserved and/or marginalized people;
- d. Includes continuous feedback from internal and external sources, including from joint tracking and joint fact-finding with affected rights-holders and stakeholders; and
- e. Includes safeguards to protect the security and privacy of collected personal data or characteristics of affected rights-holders and stakeholders⁴¹.

1.4.13 Continuous Improvement

1.4.13.1 IRMA+

At least annually, but without undue delay after a significant change occurs and whenever there are reasonable grounds to believe that new risks of the occurrence of upstream or downstream adverse impacts may arise, the ENTITY:

- a. Reviews the monitoring and evaluation results, informed by internal and external feedback, as per Section 1.4.12;
- b. Reviews any grievances related to upstream or downstream sustainability, and the functioning of its relevant grievance mechanism/s required in 1.4.11.1 (see also Section 1.6.3);
- c. Reviews the ENTITY's effectiveness in preventing, and where prevention is not possible or not immediately possible, mitigating and remediating potential and actual upstream and downstream human rights, social, and environmental adverse impacts, informed by the monitoring and evaluation required in 1.4.12.1 and 1.4.12.2;
- d. Updates its sustainability due diligence policy in accordance with Section 1.4.1 and/or its Code of Conduct in accordance with Section 1.4.2, if the reviews (a. to c.) indicate a need for such updates;
- e. Develops and implements time-bound corrective measures to update, if necessary⁴², its scoping in accordance with Section 1.4.4 and/or its risk and impact assessment in accordance with Section 1.4.5;
- f. Develops and implements time-bound corrective measures to update, if necessary⁴³, its prevention, mitigation, and remediation plan in accordance with Section 1.4.7;
- g. Develops and implements time-bound corrective measures to update, if necessary⁴⁴, its approach to SMEs in accordance with Section 1.4.8 and to the suspension and termination of business relationships in accordance with Section 1.4.9; and
- h. Develops and implements time-bound corrective measures to update, if necessary⁴⁵, its monitoring and evaluation processes in accordance with Section 1.4.12.

1.4.14 Information-Sharing and Public Reporting

1.4.14.1 IRMA+

At least annually, the ENTITY makes and maintains⁴⁶ publicly accessible all updated and previous versions of:

- a. Its risk and impact assessment, including an explanation of the assessment methodology and a list of the risks and impacts identified (see Section 1.4.5);
- b. Its prevention, mitigation, and remediation plan, including prioritization criteria and the measures taken to prevent, mitigate, and remediate upstream and downstream human rights, social, and environmental risks and impacts (see Section 1.4.7);
- c. The qualitative and quantitative performance criteria and indicators used to monitor and evaluate the effectiveness and appropriateness of its prevention, mitigation, and remediation plan (defined in 1.4.7.1 and informed by stakeholder engagement as per 1.4.10.1);
- d. Key findings of the monitoring and evaluation process required in 1.4.12, and of the reviews required in 1.4.13;
- e. A summary of the measures developed and implemented as per 1.4.7.1 to 1.4.7.4, and the extent to which they effectively prevented **actual** adverse impacts, and where prevention was not possible or immediately possible, provided timely and adequate remediation to affected rights-holders and stakeholders/rights-holders;
- f. A list of the time-bound corrective measures identified as per 1.4.13.1.
- g. This public reporting (a. to k..) occurs with due regard for the safety and data privacy of affected rights-holders and stakeholders.

CROSS REFERENCES TO OTHER CHAPTERS

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

CHAPTER ENDNOTES

¹ This policy (or equivalent) could be either a stand-alone one or integrated into an overarching human rights policy (or equivalent, see 1.3.1.1.).

² For Mineral Processing operations, upstream business partners include all suppliers of minerals.

³ Alignment of the formal policy with the OECD Guidance is only required for mineral processing operations.

⁴ “Doing so provides a starting point from which the enterprise can better leverage respect for human rights in these relationships, should this be necessary. For example, it can facilitate the inclusion of provisions for the respect of human rights in contracts with suppliers and partners; and it can provide the basis for auditing or monitoring performance and for factoring the results into decisions on future business relationships. Conversely, if it is not clear that these expectations with regard to human rights are a firm policy of the enterprise, they can easily become “negotiable” and be sidelined in particular relationships or circumstances. This weakens the ability of the enterprise to ensure it is not involved in human rights abuses by others, which in turn increases its own risks.” UN OHCHR, 2012, The Corporate Responsibility to Respect Human Rights: An Interpretive Guide. Other relevant parties include all (if any) relevant subsidiaries and joint-venture partners that may be involved in (and/or have a shared legal or regulatory responsibility for) the management of the project/operation and associated facilities.

⁵ Staffing resources whom authority and responsibility have been assigned to should have the necessary competence, knowledge, and experience to implement this policy at the level of the site.

⁶ Achieving compliance with a prevention action plan should be requested when potential adverse impacts could not be prevented or adequately mitigated, contractual assurances will be sought with a view to achieving; while achieving compliance with a corrective action plan should be sought when actual adverse impacts could not be brought to an end or could not be adequately minimized.

⁷ For the purposes of verifying compliance, the company may refer to independent third-party verification, including through industry or multi-stakeholder initiatives. Regarding applicability to SMEs, the EU CSDDD adds “When contractual assurances are obtained from, or a contract is entered into with, an SME, the terms used shall be fair, reasonable and non-discriminatory. The company shall also assess whether the contractual assurances of an SME should be accompanied by any of the appropriate measures for SMEs referred to in paragraph 2, point (e). Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification. Where the SME requests to pay at least a part of the cost of the independent third-party verification, or in agreement with the company, that SME may share the results of such verification with other companies.”

⁸ This must be collected on a disaggregated basis and supported by documentation. This may require the incorporation of disclosure requirements into commercial contracts with suppliers.

⁹ This must be collected on a disaggregated basis and supported by documentation. This may require the incorporation of disclosure requirements into commercial contracts with suppliers.

¹⁰ Such plans may involve, if relevant and where appropriate, local and central governments, international organisations and civil society when pursuing risk mitigation.

¹¹ Mineral processing operations should refer to the OECD Guidance Appendix – Guiding Note for Upstream Company Risk Assessment, and the relevant commodity-specific guidance: https://www.oecd.org/en/publications/2016/04/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas_g1q65996.html (Third Version, 2016)

¹² Including the information generated by the chain of custody and/or traceability system required in 1.4.4.2 and 1.4.4.3.

¹³ For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY’s mineral supply chain, requirements 1.4.5.2 and 1.4.5.3 should not be considered optional.

¹⁴ Including the information generated by the chain of custody and/or traceability system required in 1.4.4.2 and 1.4.4.3.

¹⁵ Who should then pass them down the supply chain.

¹⁶ For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY’s mineral supply chain, requirements 1.4.7.1 to 1.4.7.9 should not be considered optional

¹⁷ For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY’s mineral supply chain, Section 1.4.8 should not be considered optional

¹⁸ For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY’s mineral supply chain, Section 1.4.9 should not be considered optional

¹⁹ For Mineral Processing operations, the mechanism must ensure that concerns can be shared regarding the circumstances of mineral extraction, trade, handling and export in a conflict-affected and high-risk area, in line with the OECD Guidance. This mechanism can be a stand-alone mechanism, or combined with the general mechanism required in Section 1.4.11 (optional), and/or the overall grievance mechanism required in Chapter 1.6.

²⁰ 'Rights-compatible' means ensuring that outcomes and remedies accord with internationally-recognized human rights.

²¹ There may be other mechanisms that are not operated by the ENTITY through which stakeholders or rights-holders can seek recourse (e.g., administrative, judicial and non-judicial remedies), and these options should be mentioned to stakeholders who file grievances with the company.

²² If the Entity has opted in the optional Section 1.4.11 refer to this Section instead of Chapter 1.6.

²³ For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY's mineral supply chain, Sections 1.4.12 and 1.4.13 should not be considered optional

²⁴ Including any ASM entities or individuals from whom the ENTITY may be sourcing, or proposing to source, minerals (see scoping process required in 1.4.4.2 and dedicated Section 1.4.7).

²⁵ 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, etc There are also "new" forms of widespread violence distinct from those associated with traditional armed conflict that have emerged in recent years. This 'non-conventional armed violence' is the result of the activities of groups summarized as tribal networks, thugs (organized crime) and terrorists such as organized criminal groups ('gangs') and violent extremist organizations, illicit economy-related actors and other actors who may not be driven by clear political or ideological agendas, or be organized by the state. See full definition of "conflict-affected and high-risk areas" in the Glossary.

²⁶ Where it is necessary to prioritize actions to address actual and potential adverse human rights impacts, the ENTITY should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable. (UN Guiding Principles)

²⁷ Once the most severe and most likely adverse impacts are addressed within a reasonable time, the ENTITY will address less severe and less likely adverse impacts.

²⁸ This Section is only relevant if the ENTITY has a commercial/business relationship with an ASM ENTITY, as identified in the scoping process required in 1.4.3.2. An ENTITY sourcing Gold And Associated Precious Metals (silver and/or in some cases platinum group metals), Tin, tantalum and tungsten (3T), Cobalt, or Coloured gemstones from ASM are encouraged to refer to, and use, the CRAFT Code to validate its eligibility to source minerals and metals originating from ASM in conformance with the OECD Due Diligence Guidance and legislations derived from it, like the EU regulation on conflict minerals entered in force in 2021. https://www.craftmines.org/wp-content/uploads/2021/03/CRAFT_2.0_Completo_Ingles_VersionFinal-1.pdf (English Version 2.0).

²⁹ See Section 1.4.8 for guidance and requirements related to termination of business relationships.

³⁰ An array of social and environmental issues at ASM operations may pose social and environmental risks. These include, but are not limited to lack of legal compliance, bribery and corruption, child labor, forced labor, low wages, lack of labor rights, poor occupational health and safety (e.g., exposure of workers and communities to toxic chemicals such as mercury and cyanide), lack of gender equality, security risks, human rights abuses, especially in conflict-affected areas, environmental pollution and degradation from poor waste management practices, and operating in protected areas or areas of key biodiversity.

³¹ The most significant risks will vary, depending on the ASM operations. However, if present, the following should always be considered "significant risks": serious human rights abuses, including the worst forms of child labor, forced labor, torture, cruel, inhuman or degrading treatment, sexual violence, war crimes or serious violations of international humanitarian law, crimes against humanity or genocide.

³² ENTITY will need to demonstrate how it defined "fair commercial terms" and the extent to which ASM suppliers are satisfied with them. This requires definition and standardization of contractual terms in general (including duration of contracts, division of responsibilities, transparency regarding costs of operation and mineral content).

³³ For Mineral Processing operations, if the red flag review required in 1.4.4.1, or the in-depth assessment (as per 1.4.5.1), has indicated the presence of CAHRAs in the ENTITY's mineral supply chain, Sections 1.4.7, 1.4.8, 1.4.9, 1.4.12, and 1.4.13 should not be considered optional.

³⁴ Other sources of information may include data from monitoring and evaluation, discussions with or grievances filed by stakeholders or workers, internal reviews of particular issues that relate to human rights, etc.

³⁵ For the purposes of verifying compliance, the company may refer to independent third-party verification, including through industry or multi-stakeholder initiatives. When contractual assurances are obtained from, or a contract is entered into with, an SME, the terms used shall be fair, reasonable and non-discriminatory. The company shall also assess whether the contractual assurances of an SME should be accompanied by any of the appropriate measures for SMEs referred to in paragraph 2, point (e). Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification. Where the SME requests to pay at least a part of the cost of the independent third-party verification, or in agreement with the company, that SME may share the results of such verification with other companies

³⁶ 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.

³⁷ The action plan includes a specific and appropriate timeline for the adoption and implementation of all actions therein, during which the ENTITY may also seek alternative business partners.

³⁸ 'Rights-compatible' means ensuring that outcomes and remedies accord with internationally-recognized human rights.

³⁹ There may be other mechanisms that are not operated by the ENTITY through which stakeholders or rights-holders can seek recourse (e.g., administrative, judicial and non-judicial remedies), and these options should be mentioned to stakeholders who file grievances with the company.



⁴⁰ 'Rights-compatible' means ensuring that outcomes and remedies accord with internationally-recognized human rights.

⁴¹ Especially of rights-holders at heightened risk of vulnerability and marginalization, including children, or any other sensitive data.

⁴² This will be informed by the monitoring and evaluation process required in the previous Section, and on the review process required in a. to c.

⁴³ This will be informed by the monitoring and evaluation process required in the previous Section, and on the review process required in a. to c.

⁴⁴ This will be informed by the monitoring and evaluation process required in the previous Section, and on the review process required in a. to c.

⁴⁵ This will be informed by the monitoring and evaluation process required in the previous Section, and on the review process required in a. to c.

⁴⁶ All material must remain publicly accessible at least until the completion of all post-closure activities (including any previous versions, iterations and revisions). Note that the intention is not that the reports should be removed from the public domain after that. Rather, where possible, it should be retained indefinitely as the information may be important for legal or other purposes.

CHAPTER ANNEXES

ANNEX 1.4-A: Categories of issues to be considered as part of the upstream and downstream sustainability due diligence

Potential risks and impacts to be considered





- Fundamental human rights, including:
 - Freedom from discrimination
 - Freedom from hunger
 - Freedom from slavery
 - Freedom from torture, cruel, inhuman or degrading treatment
 - Freedom of association
 - Freedom of children from social and economic exploitation
 - Freedom of expression
 - Freedom of movement
 - Freedom of non-citizens from arbitrary expulsion
 - Freedom of religion and belief
 - Freedom to choose and accept work
 - Freedom to undertake scientific research and creative activity
 - Right of mothers to special protection before and after birth
 - Right of peaceful assembly
 - Right to an adequate standard of living
 - Right to be treated with humanity in detention
 - Right to education
 - Right to equality before the law
 - Right to equality between men and women
 - Right to fair trial
 - Right to food
 - Right to form trade unions
 - Right to freedom of thought, conscience and religion
 - Right to health, safety, and property
 - Right to just and favorable conditions at work
 - Right to liberty and security of person
 - Right to life
 - Right to marry and found a family
 - Right to participate in public affairs
 - Right to personal honor and reputation
 - Right to privacy
 - Right to recognition before the law
 - Right to respect for private and family life, home and correspondence
 - Right to sanitation
 - Right to social security
 - Right to take part in cultural life
 - Right to work
 - Rights of the Child
 - Rights of Indigenous Peoples
 - Rights of Peasants
 - Rights of All Migrant Workers and Members of their Families
 - Rights of Persons with Disabilities
 - Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities
- Labor rights and industrial relations
 - Right to strike
 - Right to organize and collective bargaining

- Freedom of association
- Occupational health and safety
- Access to adequate housing, adequate food, clothing, and water and sanitation in the workplace
- Child labor
- Forced labor
- Discrimination
- Equal Remuneration
- Trade union freedoms
- Harm to the environment, climate and human health, considering direct, induced, indirect and cumulative effects, including:
 - Air, including air pollution such as greenhouse gas emissions
 - Water, including seabed and marine environment, and including water pollution, water use, water quantities (flooding or droughts) and access to water
 - Soil, including soil pollution, soil erosion, access to land, land use and land degradation
 - Biodiversity, including damage to habitats, wildlife, flora and ecosystems, including ecosystem services
 - Hazardous substances
 - Noise and vibration
 - Plant and facility safety
 - Energy use
 - Waste and residues (including tailings and other waste from mineral processing)
 - Other impact on natural resources, such as deforestation
- Community life, including:
 - Rights, health, safety, wellbeing, and cultural heritage of Indigenous Peoples
 - Right to self-determination, right to culture, religion and language
- Right of individuals, groupings and communities to lands and resources
- Governance, business integrity, and corruption



ANNEX 1.4-B: Red Flag Assessment for Supply of Input Mineral (for Mineral Processing operations only)

The following “red flags” triggers must be integrated in the processes contained in Section 1.4.4, and especially the scoping-related requirement 1.4.4.1:


Red flag locations of mineral origin and transit:

-  The minerals originate from or have been transported via a conflict-affected or high-risk area.ⁱ
-  The minerals are claimed to originate from a country that has limited known reserves, likely resources or expected production levels of the mineral in question (i.e. the declared volumes of mineral from that country are out of keeping with its known reserves or expected production levels).
-  The minerals are claimed to originate from a country in which minerals from conflict-affected and high-risk areas are known to transit.
-  The minerals are claimed to originate from recyclable/scrap or mixed sources and have been refined in a country in which minerals from conflict-affected and high-risk areas are known or reasonably suspected to transit.

Supplier red flags:

-  The company's suppliers or other known upstream companies have shareholder or other interests in companies that supply minerals from or operate in one of the above-mentioned red flag locations of mineral origin and transit.
-  The company's suppliers or other known upstream companies are known to have sourced minerals from a red flag location of mineral origin and transit in the last 12 months.

General red flag circumstances:

-  Anomalies or unusual circumstances are identified through the information collected in Step 1 which give rise to a reasonable suspicion that the minerals may contribute to conflict or serious abuses associated with the extraction, transport or trade of these minerals.

Source: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition (2016) https://www.oecd.org/en/publications/2016/04/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas_g1g65996.html

ⁱ Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of 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, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law. Source: OECD Guidance, Third Edition.

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