

Energy & Resources Alert

# New IRMA Standard for Responsible Mining

*IRMA releases draft for public comment*

## WHAT YOU NEED TO KNOW

- The Initiative for Responsible Mining Assurance (**IRMA**) released the first draft of its Standard for Responsible Mining (**Standard**) on 22 July 2014.
- The Standard contains detailed 'best practice' benchmarks for assessing the social and environmental performance of industrial mine sites in the minerals and metals sectors (non-energy fuel sectors).
- The Standard is intended to form part of the IRMA's proposed global mining assurance system that will include a mine-site certification scheme for participating mining projects.
- Although it will not create new obligations for mining companies or mine site operators in and of itself, the Standard will likely form part of the broader field of soft-law standards against which mining companies and mine operators are increasingly being assessed.

## WHAT YOU NEED TO DO

- IRMA is seeking feedback on the draft Standard by 22 October 2014. Interested stakeholders can provide feedback through the IRMA website.

## What is the IRMA?

The IRMA is a multi-sector coalition of mining companies, downstream consumers of mine products, trade unions, non-government organisations (**NGOs**), and indigenous groups, that was founded in Vancouver in 2006. It was established with the goal of developing an independent assurance system to improve the social and environmental performance of industrial mining operations through cross-sector dialogue.

The IRMA is governed by its participating members, with a steering committee comprising:

- **Anglo American**;
- **Tiffany & Co.** and **Jewelers of America** (the American trade association for jewellery retailers);
- **IndustriALL Global Union** (the world's largest employee union for workers in the mining, energy and manufacturing sectors) and **United Steelworkers** (the largest mining union in North America);

- **Earthworks** (a global NGO focused on community and environmental impacts of mineral and energy developments) and the **Canadian Boreal Initiative**; and
- the **Western Shoshone Defense Project** (an indigenous rights organisation representing the Shoshone tribes of Central-Western America).

The IRMA's voluntary, multi-sector and consensus-based nature is likely to provide a basis for its legitimacy as a stakeholder forum, but may also be the reason for its slow progress. The development of a 'standard for responsible mining' has been its principal endeavour since establishment.

## What is the purpose of the Standard?

The IRMA claims that the Standard (downloadable [here](#)) is the first effort to recognise a set of 'best practice' standards for industrial-scale mining of multiple commodities designed by representatives from the mining, consumer, NGO and indigenous-community sectors.

Once finalised, the Standard will form the backbone of the IRMA's reporting, certification and assurance system for the industrial mining industry. It is intended to define 'best practice' performance requirements for industrial mine sites that correspond to the various social and environmental challenges of sustainable development, while harmonising a range of existing standards (including the International Council on Mining & Metals' Sustainable Development Framework and the International Finance Corporation's Performance Standards).

While the overall purpose of the Standard is to improve the social and environmental performance of the industrial mining industry, it will be used as a benchmark to assess the impacts of participating mine sites and provide the platform for the IRMA's proposed mine site certification scheme.

### What is the scope of the Standard?

The 171-page Standard proposes a set of detailed principles across five broad areas of social and environmental assurance that are intended to apply to all non-energy fuel industrial mine sites.

#### All industrial and non-energy fuel mine sites

The Standard is intended to apply to all kinds of industrial-scale mining, including surface, sub-surface and solution mining, with the exception of the energy fuels sector (oil, gas, coal and uranium). Most large-scale mineral and metal mining operations will therefore be within the scope of the Standard and eligible for IRMA certification.

The Standard's requirements are also intended to apply during all stages of a mine's lifecycle, from exploration to construction, operation and closure.

#### Detailed requirements for 'best practice'

The Standard sets requirements in respect of 28 key social and environmental aspects of responsible mining, organised within the following five categories:

Category	Issues addressed include
<b>Business Integrity</b>	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Revenue transparency</li> </ul>
<b>Social Responsibility</b>	<ul style="list-style-type: none"> <li>Fair labour and working conditions</li> <li>Human rights due diligence and compliance</li> <li>Obtaining community support and delivering benefits</li> <li>Free, prior and informed consent (FPIC)</li> <li>Cultural heritage</li> <li>Resettlement</li> </ul>

Category	Issues addressed include
<b>Environmental Responsibility</b>	<ul style="list-style-type: none"> <li>Water quality and quantity</li> <li>Greenhouse gas emissions</li> <li>Biodiversity outside protected areas</li> </ul>
<b>Reclamation and closure</b>	<ul style="list-style-type: none"> <li>Mine site reclamation, closure and legacy issues</li> </ul>
<b>Management systems</b>	<ul style="list-style-type: none"> <li>Social and environmental impact assessment and impact monitoring</li> <li>Grievance mechanisms and remedies for affected communities</li> </ul>

While the majority of requirements apply at the operating company level, there are some requirements that apply at the corporate-owner level, such as requirements for revenue transparency measures and public commitments to corporate-level policies.

### Proposed certification scheme

An important element of the broader mining assurance system within which the Standard sits is the proposed certification of Standard-compliant mine sites. The IRMA sees the certification process as an effective strategy to independently ensure voluntary adoption of, and compliance with, the Standard.

For mine operators, certification is intended to provide an independent endorsement of Standard-compliance that attaches to the products they sell into the global marketplace in a similar way to sustainability certification schemes in the organic agriculture, forestry and fisheries industries. Participation in the certification scheme will include rights to use certification labels and marketing materials to be developed by the IRMA.

Although the IRMA Steering Committee is yet to finalise the certification process, it will generally require mine operators to 'sign up' to the IRMA process and allow IRMA-approved third party certification bodies to audit their project's compliance with the Standard. The involvement of third party verification systems is seen by the IRMA as essential to the credibility of the proposed certification scheme.

The IRMA intends that the certification scheme will drive adoption of the Standard, and expects to begin certifying mine sites under the final Standard in 2015.

### Opportunity to provide feedback

The IRMA is seeking feedback on the draft Standard from interested stakeholders by 22 October 2014, with

a revised draft Standard proposed to be released for further public comment in late 2014 or early 2015.

Information on how to provide feedback is available on the IRMA [website](#).

### What this means for you

The IRMA's multi-sector nature is likely to give the Standard credibility within the existing field of 'best

practice' standards directed at the international mining industry. The proposed certification scheme, as a market-based compliance mechanism, has the potential to increase the commercial significance of understanding and responding to such standards, particularly for operators selling products into consumer-goods industries and retail markets.

Interested stakeholders are able to provide feedback on the Standard until 22 October 2014.

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