

Initiative for Responsible Mining Assurance Draft Policy on Association (v.1.0)

1.0—Background

IRMA is a multi-stakeholder and independently verifiable responsible mining assurance system that improves social and environmental performance. Its mission is “To establish a multi-stakeholder and independently verified responsible mining assurance system that improves social and environmental performance.” To achieve that mission IRMA maintains a Standard and verification measures and other documents and processes.

The IRMA rubric includes best practices, independent third-party verification, and a membership program designed to generate and maintain long-term support from all key stakeholder groups. By defining activities that are unacceptable to IRMA, IRMA seeks to protect the foundations of this rubric: IRMA’s reputation and resources and the reputations and resources of IRMA participants.

The IRMA Steering Committee has determined that certain activities will violate IRMA’s values such that those violations warrant exclusion from IRMA participation. The Policy on Association identifies these activities and describes a process and appropriate response.

2.0—Purpose and Scope

The purpose of IRMA’s Association Policy is to protect IRMA’s credibility, standing, and reputation and the integrity of its standard and goals. It further seeks to anticipate and avoid legal and economic exposure that may come from mines/companies that are involved or credibly alleged to be involved in actions that are intolerable to IRMA’s Steering Committee, participants, and stakeholders.

This policy applies to IRMA, its applicants, and its participants.

3.0—Definitions for this Policy

Applicant means a company that seeks to participate with IRMA and has submitted an application to have one of its mines certified by IRMA. The company shall be considered an applicant until its application is accepted or rejected by IRMA.

Association refers to a company’s or individual’s contractual engagement with IRMA. This includes, but is not limited to, all activities and documents necessary and appropriate for application and certification and/or legal engagement with IRMA.

IRMA Risk Management Committee is a Steering Committee-appointed body authorized to develop and maintain/update policies and procedures to manage risks to IRMA. The Risk Management Committee further recommends to the Steering Committee resolutions and recommendations to disassociate.

Disassociate means to terminate contractual engagement between IRMA and an IRMA participant. Because IRMA’s mission is to improve mining, as compared with punishing mining companies, the decision to terminate association shall not be undertaken casually. It is understood that IRMA can better achieve its mission by promoting and helping



mining companies improve than by disassociation.

Involvement means either direct involvement (the IRMA participant is responsible first-hand for unacceptable activities) or indirect involvement (the IRMA participant is involved with a third-party that is directly involved in an unacceptable activity). Third parties include:

- (1) An entity in which the IRMA participant has a controlling interest or functional or operational control
- (2) An entity that functionally or operationally controls an IRMA participant

For purposes of this Policy on Association, involvement expressly includes the actions of a controlling partner company(s) or parent company(s).

Participant means an entity that has formally applied to become an IRMA participant or been accepted into IRMA and has paid appropriate fees and dues or has a contract with IRMA.

Steering Committee means the IRMA Steering Committee.

Unacceptable Activity means an activity that is not consistent with the spirit and/or letter of IRMA's mission and that presents unacceptable risks to IRMA. This may be any actual occurrence or credible accusation of unacceptable activity. This may include both overt or covert actions and the failure to take action. Examples of unacceptable activity include, but are not limited to:

- Illegal mining, defined as a blatant disregard for the rule of law, permit conditions, or criminal conviction based on mining operations causing significant injury to human health or the environment.
- Violation of an International Labour Organization Core Convention¹.
- Destruction of lands or resources in a World Heritage Site or similarly highly protected areas.
- Violation of traditional human rights as defined by Universal Declaration of Human Rights of the United Nations².
- Other acts or failures to act that the Steering Committee deems appropriate for disassociation.

4.0—Procedures

IRMA's Policy on Association Procedures fall loosely into two types of activities: Proactive and Responsive. Proactive procedures are those taken as a matter of course by and/or on behalf of IRMA and shall be taken for all new applicants. Responsive procedures are those taken by IRMA in response to an independent, credible assertion that an IRMA participant or applicant has violated the Policy on Association.

IRMA's Risk Management Committee will ensure that its and others' due diligence and all results are compiled in writing and then submit a recommendation to the Steering Committee whether any action is appropriate as a result of the due diligence, including but not limited to further investigation, monitoring, modifying the relationship with IRMA, or disassociation, and if so, for what duration.

4.1. Proactive Procedures

A part of the IRMA application process will include a statement that the applicant certifies that the applicant's historic

¹ List of ILO Core Conventions is available at: http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-islamabad/documents/policy/wcms_143046.pdf. See also: <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

² <http://www.un.org/en/universal-declaration-human-rights/>.

and current practices and activities do not include what may reasonably be considered unacceptable activities and is not indirectly linked to such activities and that it has exercised due diligence. It is understood that these unacceptable activities could pose a threat to IRMA's reputation and resources.

As part of the application process the Risk Management Committee or its designee shall perform due diligence that identifies and evaluates risks posed by the applicant to IRMA's reputation and resources or that could undermine IRMA's integrity as an entity or the integrity of IRMA's mission. This review process shall continue until the Risk Management Committee is satisfied that the due diligence and results are sufficient to protect IRMA.

4.2. Responsive Procedures

If an individual or interested party, including IRMA itself, makes a credible, written claim³ that is substantiated with sufficient details, evidence, and/or references to reasonably indicate that an IRMA participant or applicant has acted in a manner that could reasonably be concluded to violate IRMA's Policy on Association then the IRMA Risk Management Committee shall perform due diligence that investigates the nature and content of the written claims to assess whether or not they are credible and the action(s) described could be a violation of the Policy on Association. The review process shall continue until the Risk Management Committee is satisfied that the due diligence and results are sufficient to assess the risks of the claims presented and to protect IRMA. The focus of the Responsive Procedure shall be the substance of the written claim but if due diligence identifies other potential risks then those shall be similarly investigated.

4.3. Steering Committee Review and Decision

The Steering Committee will be the final arbiter regarding any IRMA action, including no action, in response to a Risk Management Committee investigation and recommendation. In making its decisions regarding the Policy on Association, the Steering Committee will consider relevant information, including but not limited to:

- The entity's involvement in the relevant activity(s);
- The nature of and severity of the relevant activity(s);
- The impacts from and entity response(s) to the unacceptable behavior; and
- The representations of interested/impacted parties.

If the Steering Committee determines that the IRMA participant's direct or indirect involvement in an activity is inconsistent with IRMA participation and/or threatens IRMA's good name, resources, or reputation, then the Steering Committee may disassociate with participants or place them on probation. Its decisions will be in writing.

4.3.1. Disassociation

A Steering Committee decision to terminate must identify the actions upon which its decision was predicated and a narrative explanation of why disassociation is appropriate.

4.3.2. Probation

A Steering committee decision to place the entity on probation must identify the actions upon which its decision was predicated, a narrative explanation of why probation is appropriate, and the specific terms of probation, which may include:

- The actions the entity must take and/or specific results necessary for the entity to exit probation and reclaim its IRMA standing

³ E.g., through IRMA's Complaints Procedure (under development).

- The duration of the probation period during which actions must be taken and/or results achieved
- Mechanism(s) for monitoring and verifying that actions and conditions are met within the specified time period
- Limitations, if any, on the entity's use of its IRMA status during probation
- Other conditions and terms that the Steering Committee deems necessary and appropriate
- The circumstances that shall indicate that the probationary conditions have been met and the probationary period is ended and, alternatively, the circumstances that shall indicate that the entity has not met the probationary conditions and that the probationary period and relationship has ended.

4.4 Appeal Process

The Steering Committee's decision is subject to one Appeal to the IRMA Steering Committee by the entity that was ruled upon. That request must be within thirty days of the Steering Committee's final written decision, must be in writing, and must include grounds for reconsideration and all information that the entity wants to proffer to support its request.

The Steering Committee's original decision is final and may not be appealed by any entity if no timely request for reconsideration is filed.

4.5 Implementation

4.5.1. Disassociation

Implementation of a Steering Committee decision to disassociate from a mine shall occur within 30-days of the decision and shall include termination of all contractual relationships with IRMA, decertification of the sites, and removal from IRMA's list of certified mines

Implementation of a Steering Committee decision to disassociate from IRMA contractors shall occur within 30-days of the decision and shall include termination of all contractual relationships with IRMA.

Except where prohibited by law or by operation of applicable contract, disassociation shall result in forfeiture of all funds paid to IRMA up to the point of the Steering Committee's disassociation determination.

The Steering Committee in its sole discretion may identify a timeline and conditions for the entity to apply for re-association with IRMA.

4.6.2. Probation

Implementation of a Steering Committee decision to place an entity on probation shall occur within 10-days of the decision. Time periods within the Steering Committee's decision shall commence and be calculated according to the decision. If an entity on probation fails to successfully complete the conditions of its probation within the required timeframe then the company shall be automatically disassociated.

5.0. **Public Dissemination of Policy on Association Determinations**

The Steering Committee's decisions on all Policy on Association matters shall be made available to the public on the IRMA's website once those actions become final. This shall include, but not be limited to Steering Committee actions to:

- Disassociate



- Establish a Probationary Period and the terms of that probation
- Take no action (determine that there has been no action that violated the Policy on Association)

Information made public shall include the Steering Committee's narrative explanation of why action was taken or not taken, the terms of any actions taken.