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Safeguards to Mitigate Environmental and Social Risks in Critical Energy Transition Mineral Supply Chains

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IRMA — Initiative for Responsible Mining Assurance

Context

Opportunity and conflict

At the top of mined materials supply chains

1	2	3	4
Demand for lithium, nickel, cobalt, copper, iron ore and others	**Indigenous rightsholders and communities under stress**	**End brands seek more responsible sourcing**	**Increased legal expectation for due diligence**
Materials for solar, wind, batteries, electric vehicles	Drought, floods, and risks to drinking water, safety, culture. Fear of greenwashing in the name of climate action.	Automakers, jewelers, and tech companies call for transparency and improved practices; suppliers rising to market demand	Governments and international institutions seek understanding of impacts, reduce harm

3 Key Tools in Our Toolkit

1. Robust Legal Frameworks

2. Voluntary Standards and Market Mechanisms

3. UN Secretary General's Panel on Critical Energy Transition Minerals

Voluntary standards

Agreements between mines and communities

Laws and regulations

The IRMA Standard's
26 Chapters

Business Integrity

- Legal compliance
- Stakeholder engagement
- Human rights due diligence
- Stakeholder grievance mechanism
- Revenue transparency/anti-corruption

Planning for Positive Legacies

- Environmental and social impact assessment and management
- Free, prior and informed consent
- Community support and benefits
- Resettlement
- Emergency preparedness and response
- Planning and financing reclamation and closure

Social Responsibility

- Labor rights
- Worker health & safety
- Community health and safety
- Conflict-affected areas
- Security arrangements
- Artisanal and small-scale mining (ASM)
- Cultural heritage protection

Environmental Responsibility

- Waste (tailings) management
- Water management
- Air quality
- Noise and vibration
- Greenhouse gases emissions
- Biodiversity, ecosystem services, protected areas
- Cyanide management
- Mercury management

Reflection of Best Practice
Norms

Existing systems and frameworks form the basis of the IRMA Standard. Examples include:

- OECD Due Diligence Guidance
- UN Guiding Principles on Business and Human Rights
- IFC Performance Standards
- Extractive Industries Transparency Initiative (EITI)
- Voluntary Principles on Security and Human Rights

- International Labour Organization (ILO) Conventions
- International Union for Conservation of Nature (IUCN) Protected Area Management Categories
- UNESCO Biosphere Reserves
- International Cyanide Code
- Minamata Convention on Mercury

and more

Creating value for more responsible mining practices: What creates trust and value in a mining standard?

Equal multi-sector governance

Creating value for all. IRMA governed equally by six sectors:
- Mining
- Purchasers of mined materials
- Finance/Investment
- Organized labour
- NGOs
- Affected Communities

Some standards overseen primarily by the industries that are being evaluated.

Comprehensive standards, recognizing best practices

Detailed expectations clear to all. Comprehensive coverage of issues: water protection, indigenous rights, biodiversity, reducing conflict, worker rights, etc. Describe best practices and support continuous improvement.

Expectations in many standards are general, thus difficult to differentiate leaders from those causing harm

Rigorous, inclusive assessment process

IRMA audits are publicly announced. Include on-site visit and interviews with workers and stakeholders. This helps raise issues at mine level and builds trust.
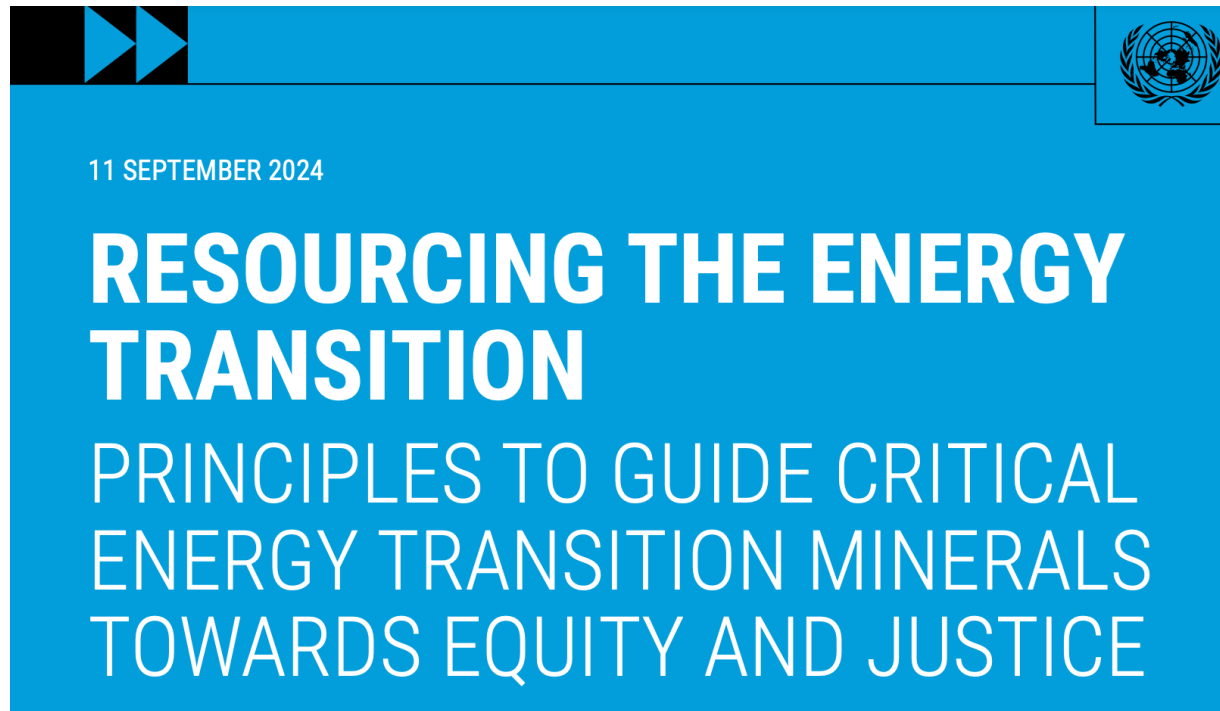
Some systems do not require site visits for every mine site, or do not require stakeholder interviews. When concerns aren't heard at source, they are often taken to the end brands.

Transparency in mine site performance

IRMA produces a public report with detailed information on how a mine site performed. Report recognizes strengths as well as challenges and supports plans for improvement.

Some systems are pass/fail with no details. Scoring against best practice supports continuing improvement; demonstrate progress toward goals.

Download the Report at:
https://www.un.org/en/climatechange/critical-minerals

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RESOURCING THE ENERGY TRANSITION

PRINCIPLES TO GUIDE CRITICAL ENERGY TRANSITION MINERALS TOWARDS EQUITY AND JUSTICE

7 Guiding Principles

- PRINCIPLE 1 **Human rights** must be at the core of all mineral value chains.

- PRINCIPLE 2 The integrity of the planet, its **environment and biodiversity** must be safeguarded.

- PRINCIPLE 3 **Justice and equity** must underpin mineral value chains.

- PRINCIPLE 4 Development must be fostered through **benefit sharing, value addition and economic diversification**.

- PRINCIPLE 5 **Investments, finance and trade** must be responsible and fair.

- PRINCIPLE 6 **Transparency, accountability and anti-corruption measures** are necessary to ensure good governance.

- PRINCIPLE 7 **Multilateral and international cooperation** must underpin global action and promote peace and security.

5 Actionable Recommendations

- **A High-Level Expert Advisory Group** to accelerate greater benefit-sharing, value addition and economic diversification in critical energy transition minerals value chains as well as responsible and fair trade, investment, finance, and taxation.

- **A global traceability, transparency and accountability framework** along the entire mineral value chain – from mining to recycling – to strengthen due diligence, facilitate corporate accountability and build a global market for critical energy transition minerals, though the framework should not be used as a unilateral trade barrier.

- **A Global Mining Legacy Fund** to build trust and address legacy issues as a result of derelict, ownerless or abandoned mines, and strengthen financial assurance mechanisms for mine closure and rehabilitation.

- **An initiative that empowers artisanal and small-scale miners** to become agents of transformation to foster development, environmental stewardship and human rights.

- **Equitable targets and timelines for the implementation of material efficiency and circularity** approaches across the entire life cycle of critical energy transition minerals.

Thank you!

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