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Measuring responsibility: How do we assess the mines supplying the renewable energy transition?

In Chile, the first lithium mine in the world has completed an independent audit under the rigorous standard set by the Initiative for Responsible Mining Assurance (IRMA). Such audits, by reviewing mines' performance with transparent notice and opportunities for public engagement, help foster dialogue on further improvements companies can make to support those affected by their operations.

Port Townsend, June 20, 2023 (GLOBE NEWSWIRE) -- Responding to global pressure for greater transparency around the sourcing of raw materials, the Salar de Atacama lithium mine operated by Albemarle Corporation in Chile has released an <u>independent audit report on its performance</u> against concrete measures of social and environmental impact.

Conducted against the best-practice standard established by the Initiative for Responsible Mining Assurance (IRMA), the audit is the first to be completed at a mine that supplies lithium — a key component of electric vehicle batteries and one of the principal mined materials enabling the transition to a renewable energy economy.

IRMA oversees the only independent, comprehensive process for assessing individual mines' performance against an equally governed, consensus-based standard — and for measuring their subsequent progress in reducing social and environmental harm. The rigorous IRMA process invites all those currently or potentially affected by a mine to share their experiences and perspectives with the auditing team.

Developed through a decade of public consultations, with input from more than 100 companies and organizations, the IRMA Standard and assessment process recognize the concerns of Indigenous rights holders, communities and mine workers, as well as environmental and human rights advocates and other representatives of civil society. The independent IRMA system is the only global mining standard that gives such groups an equal voice alongside mining companies, mined materials purchasers and investors.

Albemarle's Salar de Atacama operation scored an IRMA 50 performance level, meaning the independent audit firm ERM-CVS verified that the mine met all critical requirements of the IRMA Standard, as well as at least 50% of the Standard's criteria in each of the four areas: social responsibility, environmental responsibility, business integrity and planning for positive legacies. The full audit report is available at responsiblemining.net.

Albemarle's Salar de Atacama joins 12 other industrial-scale mines worldwide that are undergoing independent audits against the IRMA Standard in 2023. After an initial self-assessment, a participating mine engages a third-party audit firm — trained and approved by IRMA — to conduct a detailed independent evaluation, including on-site visits to the mine and nearby communities.

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"This report demonstrates that mines supplying materials essential to the renewable energy transition can now point to transparent, independent evaluations of their environmental and social performance," said *Aimee Boulanger, Executive Director of IRMA*. "Through detailed IRMA audit reports, mining companies, communities and companies that purchase mined materials can gain

the information they need to decide what's going well — and what may require more attention — at specific mines."

As the IRMA Standard is recognized and adopted around the globe, these audits are just the first steps in a deepening dialogue between mining companies and those affected by their operations. And because the process is still evolving, IRMA cautions that the initial results should be reviewed and interpreted accordingly.

"The IRMA Standard is relatively new," Ms. Boulanger said. "It's an unfamiliar process for companies that volunteer to be audited, and even our accredited auditors are still learning. The same is true for community members and workers who are interviewed as part of the process, some of whom may not yet feel comfortable engaging. So the Salar de Atacama audit report needs to be read with this in mind. We applaud Albemarle for stepping forward to be among the first mines audited against such comprehensive and demanding criteria."

The report also provides an honest accounting of IRMA's own progress as the Standard and assessment process continue to mature. "If the results don't fully reflect the experience of communities, Indigenous rights holders or other affected groups, we want to hear from them," Ms. Boulanger said. "We'll help them communicate with the company to better understand its performance, and with the auditors on any issues they feel were overlooked in the review. This is a cornerstone of our own commitment to transparency. We invite anyone who has criticisms of our work to join us in making it better. Finding ways to improve is built into our system — and a measure of its success."

"The next stage in our continuous improvement journey"

An assessment under the IRMA Standard is not a one-time, pass/fail evaluation. Participating mines embark on a step-by-step process, beginning with a thorough self-assessment and moving on through a third-party audit with transparent disclosure.

"The auditors' report provides an independent, evidence-based report card on our progress as a socially and environmentally responsible company," said *Ellen Lenny-Pessagno*, *Global Vice President*, *External Affairs and Sustainability*, *with Albemarle Corporation*. "It will also help us set future goals as we collaborate with everyone affected by our business activities to do even better at our Salar de Atacama mine site. This is a first step, which we are replicating at our other mine sites, and will positively support Albemarle and our industry to meet the challenges and explore the tremendous opportunities of mining more sustainably."

Learn more at a Webinar Q&A

- Wednesday, Jun 21, 11am Chile time (EDT)
- Speakers: IRMA Executive Director Aimee Boulanger, and Assurance Director Michelle Smith
- Topics will include: The IRMA process, how this independent audit occurred, how stakeholders can use this audit report
- Register here

For More Information:

- Alan Septoff, +1.301.202.1445, <u>aseptoff@responsiblemining.net</u>
- IRMA Salar de Atacama mine assessment page
- <u>IRMA Mine Site Assessment Public Summary Report of Albemarle's Planta Salar de Atacama</u> <u>lithium operation</u>
- Executive Summary
- Brief backgrounder: <u>The IRMA independent mine assessment process</u>