

Consolidated Mining Standard Initiative (CMSI) Terms of Reference

1. Introduction

The purpose of this document is to describe the proposed consolidated mining standard's:

- Initiators
- Objectives
- Scope
- Justification
- Claims
- Development process; and,
- Decision-making process

2. The standard initiators

The owners of four responsible mining standards (the partners) are working towards consolidating their individual responsible mining standards into one global standard and multi-stakeholder oversight system that can drive performance improvement at scale. The primary objective of this collaboration is to continue to raise the bar on the mining industry's environmental, social and governance performance globally.



The consolidation will draw and build upon the strengths of each existing standard. The four standards are:

- *ICMM's Mining Principles*
- *The Copper Mark Criteria for Responsible Production (the Risk Readiness Assessment Criteria Guide)*
- *Towards Sustainable Mining*
- *World Gold Council's Responsible Gold Mining Principles (RGMPs)*

The core strengths of the existing standards that the consolidated standard is intended to build on are:

- *Scale of adoption through the memberships (as a basis for the theory of change of moving critical mass).*



- Robust assurance, by combining and integrating the assurance features of all four standards.
- Detailed requirements across a broad range of environmental, social, governance and business integrity performance areas.
- A system of continual improvement by articulating criteria that define foundational, good and leading practices.
- Multi-stakeholder governance at the Board level.
- Dialogue through a network of multi-stakeholder National panels in mining jurisdictions around the world that will promote understanding and build trust between the mining sector and its stakeholders and support the Standard's oversight and implementation.

3. The objectives of a consolidated standard

The objective is to consolidate four existing mining standards into one global standard that will drive improved performance on responsible mining at scale. The purpose of the standard will be to drive continual performance improvement and enhance mining sector transparency and accountability related to its activities.

Performance of facilities¹ against the standard will be verified through a clear, transparent and independent assurance process. The standard and assurance will be overseen by a governance body that includes a multi-stakeholder board, supported by a network of multi-stakeholder national panels.

4. The Standard's Scope

- The standard will be available to any industrial mining operation of any size and any commodity anywhere in the world.
- The standard may also be applied to downstream activities up to and including smelters and refineries.
- The standard will address all environmental, social and governance issues relevant to the mining sector.
- The standard will include clear, auditable criteria that are defined in performance levels to reflect foundational practice, good practice and leading practice.
- The standard will apply to operating facilities but may also be used for new projects and closed sites, as applicable.
- The standard will include the necessary infrastructure to support implementation, including a comprehensive training program.

5. The Standard's Justification

¹ The term 'facility' is used throughout the Consolidated Responsible Mining Standard to cover a 'site' or 'operation'. Facility includes the footprint of all operational activities (e.g. desalination plant, open pits, processing plant, power generation plant, smelter, pipeline, port, etc.), under the operational control of the company that support the production, refining, transport or trade of minerals and metals for sale or further processing. A facility may comprise several sites in geographic proximity or connected and under the same management control with consistent management systems. A company exercises operational control where it controls the operating policies and practices at a facility.



- Over the past twenty years a plethora of mining standards have been developed by a range of actors, including those of this initiative's partners. As each standard is unique, with different reporting requirements, assurance processes, performance criteria and degrees of stakeholder participation, this complexity has made it very challenging and costly for the industry to implement and for those using the generated data, including regulators, investors, customers, affected communities and other stakeholders, to utilise the results.
- The proposed standard will support the industry in continuing to raise the performance bar by retaining and building upon the best attributes of these four standards, enriched through wider stakeholder engagement, and widening participation. The four partners' ambition is for the new standard to be implemented by all its members and participants.
- This initiative will support users of responsible mining standards and responds directly to feedback from a diverse set of stakeholders including investors, civil society, downstream customers, and mining companies. They highlighted the need for a simpler, more transparent, and robust standards landscape.

6. The Standard's Claims

- The new, consolidated standard will establish a set of clear requirements that represent good practice for the mining sector across a broad range of environmental, social and governance aspects. The standard will apply to mining operations, with the possibility of application to downstream smelters and refineries.
- It will provide the opportunity for mines to achieve claims of good practice that can be shared with customers and the public, while also providing a road map to get to good practice and beyond, by demonstrating exceptional leadership. Claims will be based on the published performance results for each performance area.
- There will be three types of claims:
 - Self-assessed claims of performance.
 - Assured claims of performance.
 - Logo claims where a facility has achieved good practice across all applicable performance areas. Logo claims may be available to certain minerals and metals.

7. The Standard's Development Process

- The standard's development is initiated by the four partners, with support from an independent Stakeholder Advisory Group (SAG) as well as an Industry Advisory Group (IAG). The SAG and IAG play an essential role in providing a balance of independent and industry input in the development of the three core components: standard, assurance and governance. More specifically, on the following:
 - The scope and technical content of the consolidated standard.
 - The assurance and audit arrangements, such that they help underscore the credibility of any conformance claims associated with the standard.
 - The ultimate oversight and governance arrangements for a global standard for responsible mining, which should embody a power-sharing model between industry and stakeholders.



- The SAG includes representatives from key stakeholder groups including organised labour, civil society, Indigenous Peoples, investors, and downstream customers.
- The IAG comprises representatives from across the company members/participants in the four existing standards who have a deep knowledge of standards, assurance, and key sustainability risks.
- Both the SAG and IAG will be regularly engaged virtually and in person, including together on at least two occasions.
- The draft standard development process will include two rounds of public consultation, each of two months' duration, providing an opportunity for all interested stakeholders to share their feedback. The four partners will also seek input and advice through their own established stakeholder networks.
- The partners will provide a summary of and response to stakeholder feedback at each step of the public consultation process.

The details on the standard development process will be published by the partners on a dedicated project website.

8. The Decision-Making Process

The consolidation process is guided by the four partners, who are, in turn, governed by their four respective Boards. The four partners are working towards a consolidated standard that will be governed by an independent, multi-stakeholder board. The aims and objectives of the decision-making process are as follows:

- To achieve consensus support for each element of the standard from the SAG and the IAG prior to each public consultation phase.
- To establish the multi-stakeholder board prior to the finalisation of the Standard to ensure it enjoys broad-based multi-stakeholder support. This board will make the final decision on the adoption of the new standard.
- Any future updates and revisions to the standard will be overseen by this board. The mining sector will be represented on the Board but will not hold a majority of seats.
- The standard will also encourage stakeholder participation around the world by promoting the formation and functioning of national, multi-stakeholder panels. These panels would help to promote the standard, support dialogue between the mining sector and its stakeholders around the world and support its oversight and implementation.