

CMSI Consultation Response

Respondent Details

NAME

Rick Valenta

COUNTRY

Australia

PERMISSION

Yes, CMSI can disclose my feedback, name, and organisation.

STAKEHOLDER

Academia

ORGANISATION

University of Queensland Sustainable Mineral Institute

COMMENTS & QUESTIONS BY DOCUMENT

Document:
Governance

General comment

COMMENT:

The proposed governance model will also attract comments and is likely to be perceived as not equitable in terms of the composition of the board, which assigns more weight to the mining sector and its downstream value chain. Ultimately, the board will oversee implementation of a standard and there will be many challenges in operationalising the standard's requirements. Instead of providing comments about the composition of the board, we will draw attention to the challenge of operationalising requirements. Once finalised, the Standard is expected to be used by existing members of ICMM, World Gold Council and Mining Association of Canada, and participants of The Copper Mark. This means that there will be opportunities for improvement as companies will work collectively on a shared goal. Based on our experience, we think opportunities lie in developing organisational strategies to achieve this.

Document:
Assurance

General comment

COMMENT:

The Consolidated Standard Assurance Process is a clear, well-written and well-structured document, which provides a detailed description of the assurance process. It meets its stated objective. We do want to highlight that seeking and obtaining assurance will represent a large body of work, which will rely on the competency of assurance providers. This provides a good opportunity to build capacity within the companies that provide these services. In the last few years, there have been significant innovation in the development of educational resources, aligned with the facets of digital transition. We envisage ample scope to capitalise on this evolution

to develop and offer online resources and courses that specifically target the skills for successfully conducting assurance against the Consolidated Standard.

Document:
Standard

General comment on Performance Area

COMMENT:

Firstly, we would like to commend the partners (International Council on Mining and Metals, World Gold Council, Mining Association of Canada, The Copper Mark) for adopting a leadership position with this initiative. As explained in your communication briefs, continuing interest in the mining sector's environmental, social and governance performance has led to a myriad of standards being published, creating confusion and difficulties in interpreting outcomes. This did require simplification. Our understanding is that the process that was established for consolidating standards from your organisations was inclusive, with representatives from industry and relevant stakeholder groups. The partners have invested heavily in the initiative, to ensure it benefited from the knowledge and perspective of multiple stakeholders. This reflects a strong will to achieve consolidation and a commitment to a multiple stakeholder process, even if the details of stakeholder engagement can be debated. We do recognise that this initiative was aiming at consolidating existing standards, and did not include scope for large deviations from existing standards.

COMMENT:

In terms of the draft standard itself, we understand that it received 3,700 comments from the Stakeholder Advisory Group (SAG) and Industry Advisory Group (IAG), including two working sessions gathering members of the SAG and IAG to address most, if not all, comments. Our view is that addressing this number of comments requires some compromise to achieve a version that satisfies most stakeholders and that it will be difficult, if not impossible, to reach a version that satisfies all stakeholders. As such, we are loath to propose additional changes to the standard.

COMMENT:

To embed the shared goal of obtaining assurance against the standard, ideally at Good or Leading Practice level, all personnel in the company will need to understand their contributions. Leaders across all levels of an organisation's hierarchy play a significant role in this, particularly in how commitment to the shared goal is demonstrated. The evidence from studies examining sustained delivery of commitments in other sectors, such as healthcare organisations who sought to improve patient safety outcomes or schools who sought to achieve successful education outcomes, demonstrate the importance of carefully considering the definition of organisational goals and the

targeted actions to implement them. This highlights that companies need to be mindful that there might be another level of granularity, more detailed than the consolidated standard affords, where many adaptations and perhaps additional practices might be required.

COMMENT:

Another aspect relates to the training of personnel: companies will need to build a collective capability to respond to unexpected problems related to the delivery of the standard's requirements. Experiences in the commercial aviation sector has shown that over-reliance on sophisticated technologies may potentially diminish the capability of a collective group to respond and counteract an unexpected combination of problems

that falls outside of usual operating conditions. Lessons from this should be examined to identify how best to build this collective capacity. While technical strategies are critical, so too are organisational practices that are vitally inherent to identify, make a choice to act and respond when there are unforeseen issues.

COMMENT:

These points are raised to indicate that delivering the standard's requirements goes beyond a demonstrated commitment to environmental, social and governance performance. To be successful, it needs to be translated in demonstrated outcomes. Research in organisational performance and leadership shows there is a difference between the two. For mining organisations to sustain highly reliable delivery of the standard's requirements, they will need to develop and sustain a collective mindset dedicated to this, by:

1. Having a clear understanding of what the organisation is trying to achieve and addressing anomalies, no matter how minor, quickly.
2. Taking time to deeply understand each requirement before reaching a solution. Where complexity arises, it should be recognised, and efforts made to avoid solutions with unintended consequences.
3. Sustaining strong working relationships and effective communication throughout the organisation.
4. Valuing teams who seek to solve problems and having a range of alternative resources available.
5. Seeking out and listening to people with the greatest skill level and most relevant experience relating to a requirement, avoiding hierarchical constraints.

Introduction

COMMENT:

Importantly, the standard's requirements apply at the level of a facility. We support this approach, particularly for environmental aspects, which are highly dependent on local context. The selection of the facility as reporting entity stems from the experience of Towards Sustainable Mining, which has demonstrated the applicability of a facility-level reporting system to achieve improvement, notably in Canada. With a facility-level focus, requirements can be audited, and this strengthens applicability of the standard. The standard does not prescribe methods for meeting the requirements and we support this as well: applicable methods will be highly dependent on local context, regulation and adopted practices. Whilst the standard can prescribe that methods should be disclosed, it should not prescribe the methods themselves. A standard aims at prescribing what should be achieved: operationalisation of those requirements is for each facility to determine, based on local context and practices.

Performance Area 2: Business Integrity

SECTION: 2.1 Legal Compliance, Foundational Practice, 2

COMMENT:

We would consider Requirement 2.1 in Performance Area 2 (Legal Requirements) as critical. There are mining regions where legal compliance would cover many requirements of the performance areas. Nevertheless, in these regions, there are multiple examples of fines being issued for non-compliance with legal obligations. There seems to be scope for improving approaches to guaranteeing compliance with applicable laws.

General comment

COMMENT:

The Consolidated Standard Reporting and Claims Policy will undoubtedly attract many comments and criticisms, as interested parties will have differing views about what should qualify as “good” or “leading” performance. We understand that the goal of the Foundational Practice requirements in the Consolidated Standard is to ensure all mining actors can participate and that companies are not discouraged to implement the standard because they assess that the pathway towards Good or Leading Practice is unattainable. On that basis, we support the classification of requirements in these three levels (Foundational, Good, Leading) but would expect that large, well-established companies commit to good or leading practice. At this stage, we do not have strong views about the details underlying logo claims. The requirement for a “simpler” logo claim is mostly driven by actors in the downstream supply chain, who need to be able to “quickly” assess performance. As a research organisation focused on the sustainability practices of the sector, we do not have this constraint. However, we do conduct research on reliably delivering commitments and would argue that leading practice performance will be characterised by:

- Standard’s requirements being fully embedded in a company’s collective mindset;*
 - All personnel within a company understanding requirements and acting to deliver them;*
 - A wide range of resources being deployed to reliably deliver the standard’s requirements.*
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