

CMSI Consultation Response

Respondent Details

NAME

Macarena Donoso

COUNTRY

Chile

PERMISSION

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

STAKEHOLDER

Industry (upstream)

ORGANISATION

CODELCO

COMMENTS & QUESTIONS BY DOCUMENT

Document:
Governance

11. How would the initial Board be established?

COMMENT:

The model looks effective, but it is not clear how board members are chosen or how much representation each metal will have on it.

QUESTION 1

The governance principles that guided the development of the governance model are inclusive, effective, credible, impact-driven, pragmatic and efficient. From your perspective, does the proposed governance model meet expectations for consistency with these principles?

Response: 3: Meets expectations

The model looks effective, but it is not clear how board members are chosen or how much representation each metal will have on it

QUESTION 2

Does the proposed governance model ensure no single group is able to unduly influence decisions?

Response: yes

Document:
Assurance

QUESTION 1

From your perspective, does the Assurance process meet your expectations of a robust, credible, replicable and transparent approach?

Response: 4: Exceeds expectations

General comment on Performance Area

COMMENT:

On Evaluation:

The current evaluation approach proposed for the standard is incorrect, as it does not reflect the performance of participants within a framework of a “performance standard” for responsible mining. The measurement of a standard should be reflected in performance bands where members can be classified, such as performance categories A(+/-); B(+/-); C(+/-), etc. Being in categories A, B, or C reflects the maturity and implementation status of various responsible mining practices collectively, within a bandwidth. Examples of such classifications include the CDP (Carbon Disclosure Project) standard.

Conversely, it is not appropriate to set percentages or scores, as is done with labels, certifications, seals, or rankings, as these position one member relative to another and incentivize competition in a comparative list.

What we seek with a transversal standard for the mining and metals industry—and what is expected of such a standard—is for members to progress in their own performance, improve over time, and move from a classification and maturity level of better practices (e.g., C-) to B and then to A+, rather than implementing a percentage from a checklist of tasks.

Additionally, the fact that it is a standard applicable to the entire mining and metals industry—and not specific to a particular industry, such as copper—means that the tasks to be implemented are not the same. Therefore, a checklist of tasks (measured by percentages or scores) loses its relevance.

Finally, failing to achieve a responsible mining standard would correspond to falling below certain parameters. For example, this could mean being classified in a category E, which would indicate non-compliance and failure to perform through a series of actions (a set of typical practices, not individualized tasks) related to responsible mining. However, this should not involve a percentage from a rigid task list, and much less an arbitrary threshold of 30%, 40%, 70%, or 80%. Such an approach makes no sense.

Performance Area 17: Grievance Management

SECTION: 17.1 Grievance Mechanism for Stakeholders and Rights, Holders, Leading Practice

COMMENT:

The Standard identifies as a “Leadership Practice” the design of the grievance and complaints mechanism in collaboration with stakeholders. However, it does not consider that the mechanism may already exist and be operational.

Performance Area 9: Safe, Healthy and Respectful Workplaces

SECTION: 9.4 Monitoring, Performance and Reporting, Good Practice, 5

COMMENT:

The standard includes, as a “Good Practice” requirement, achieving zero fatalities during the year. While this is our goal and aspiration, a fatality is an unforeseen event and reflects an opportunity for improvement or a failure in the system. In line with what is currently required by the standards, the objective or requirement

should be to strengthen the monitoring, control, and cross-check systems to prevent system gaps or to properly manage their occurrence.

As in the previous comment, the standard proposes, as a "Leadership Practice," having no fatalities for four years.

QUESTION 1

Does the scope, content, and narrative style of the consolidated standard meet your individual expectations and the collective industry expectation for responsible production practices?

Response: 4: Exceeds expectations

QUESTION 2

Do the requirements meet your expectations for being sufficiently clear to support consistent and practical implementation and to achieve necessary performance improvement?

Response: 4: Exceeds expectations

QUESTION 3

From your perspective, does the three-level performance structure (Foundational, Good, Leading) of the Consolidated Standard meet your expectations for providing an effective on ramp and clear articulation of good practice and effective path to continuous improvement?

Response: 4: Exceeds expectations

Document:
Claims

QUESTION 1

We would value perspectives on a few additional questions related to threshold of performance associated with achievement claims. Please click here/ see page 11 of Reporting and Claims Policy.

Response: No Response \begin{quote}75%/75% Threshold\end{quote}