

CMSI Consultation Response

Respondent Details

NAME

Anonymous

COUNTRY

United Kingdom

PERMISSION

Yes, CMSI can disclose my anonymous feedback.

STAKEHOLDER

Other

ORGANISATION

Anonymous

COMMENTS & QUESTIONS BY DOCUMENT

Document:
Governance

4. What are some of the key features the governance model needs to include?

COMMENT:

Please see my comments under general responses to Figure 1. I believe this needs revision as the first two "Key features" are not really aligned to governance, more to the vision. Although that governance must be multi-stakeholder is valid, it is more the text beneath, specifically "for mining and value chain interests to be advanced" that does not align well with governance. It reads as more of an intention for "lobbying" and "self-serving" the industry, albeit along the whole value chain. I appreciate that is probably not how it was intended.

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: **2: Below expectations**

The governance model exceeds expectations for consistency with these principles, although I believe there is one principle missing and that is "reliable".

The governance model is set out from a very positive standpoint and I am truly delighted to see the multi-stakeholder approach with mining and downstream representation, as well as commercial and non-commercial - that is important for credibility and effectiveness. It will also elevate the capability for full value chain engagement, collaboration, visibility, responsibility and assurance well beyond where we are today. I hope this leads to standardisation of practice across commodities and enables a platform for multi-geography value chain visibility and assessment. On top of increasing responsible practice, this can also support resource stewardship, the circular economy ("enabling a lifecycle approach") and more localised/regional use of resources (where relevant).

However, how is accountability and transparency built into the governance model? This is not clear. For example, Figure 1 sets out the "Key features of the proposed governance model". These four "features" are a mix of the aims of the organisation and Board (in line with the vision) - "Embody multi-stakeholder oversight" to advance mining and value chain interests; and "Enabling a lifecycle approach" through promoting responsible production, sourcing and recycling/reuse (the first two boxes); and actual governance principles with "Consensus-based decision making" and "Leverage existing expertise and credibility". The first two features could be read as promotion of the industry for the interests of those involved as opposed to "features of the proposed governance model".

Given that many stakeholders and rightsholders will view the primary aim of those involved in governing the consolidated standard to be ensuring effective implementation and assurance of the standard itself, there will need to be trust. "Credible" will be a key factor to trust but the process for accountability also needs to be called out clearly and the organisation needs to be considered reliable. Reliable that all process will be followed as set out in the standard, for assurance and in governance of the consolidated standards organisation. And that there is a process for accountability to be taken or enforced should a negative event occur, such as a facility that has been assured and certified experiencing a significant pollution event or breach of indigenous rights.

QUESTION 2

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

Response: **no**

Please see answer above.

Document:
Assurance

4. Consolidated Standard External Assurance Process

SECTION: Consolidated Standard External Assurance Process

COMMENT:

The paragraph on timeframe is confusing. It states that "The Facility will have...18 months from the commencement date to complete the Assurance Process and publish the Assurance Report. The next assurance engagement will be initiated on the fifth anniversary of the commencement date (i.e. the commencement date will always be the start of each three-year assurance cycle)". I'm not clear where the five year timeframe applies as the process itself is tied to the commencement date.

COMMENT:

4.5.1. States "At the three-year anniversary of the previous commencement date, the process is presumed to start again". This conflicts with part of the sentence in 4.2.2 "The next assurance engagement is initiated on the fifth anniversary of the commencement date".

SECTION: Planning

COMMENT:

The Assurance Provider is required to prepare and Assurance Plan...to be submitted...at least 10 business days prior to scheduled start of the execution phase of the assurance engagement."

Engagement with the Facility, reviewing background documentation and determining sampling strategies, stakeholder and rights holder interviews etc. is set out in the Assurance Process as part of the planning process pre-execution phase. However, quite a bit of assurance will be undertaken through reviewing documents and in discussions pre-site visit as part of the initial desk-top study. This will be necessary to be able to set out the full Assurance Plan but should be considered very much part of the “execution phase”. Perhaps, a two step execution process is needed here - 1. Discovery Phase comprising desk-top study to determine scope after which a full Assurance Plan can be submitted; and 2. Full Assurance Phase. In my view, the Discovery Phase should be part of Execution.

QUESTION 1

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

Response: 4: Exceeds expectations

Yes, the assurance process is very comprehensive though there are a few specific points that are unclear, which I shall address in their sections under “Specific Feedback”.

Overall I am unclear as to who may be liable should a significant negative event occur (such as those listed under 4.5.1 in the Assurance Process document). If the site was very recently assured and certified, will the consolidated standard organisation have any liability? What if there is a representative from that company on the board; how will that be handled?

Document:
Standard

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

The consolidated standard is very comprehensive in its scope and content and exceeds my expectations for responsible production practices with each of the performance areas. However, the narrative style largely presents the performance areas as discrete from each other, although “Other Relevant Performance Areas” have been called out in each section. For the second consultation and certainly for publication, the CMSI team may wish to consider the presentation of the consolidated standard through an interactive website that enables the viewer to link to across multiple sections and access the glossary through a search function and through a pop-up box accessed by hovering over highlighted text. This would make a comprehensive understanding more readily accessible to those reviewing, implementing and assuring the standard.

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: 2: Below expectations

Yes, the requirements are very clear. However, for those facilities starting out on this journey looking to meet foundational performance as a first step and as facilities improve performance, it would be helpful for templates to be provided (where relevant) or point to guidelines for best practice (where applicable and in existence) that the facility can download digitally and complete to support advances in responsible mining. An indication of timeframes for certain requirements

could also be provided e.g. collaboration with stakeholders and rightsholders and where "defined intervals" or "defined frequency" have been called out but no indication of timeframe for what would be considered "good practice" has been included. I appreciate that it will be facility/geography dependent but there is a clear opportunity here to advance standards, particularly with operators "new" to responsible mining practice who may need more support.

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

Factoring my comments above, the three-level performance structure is an excellent approach as it does provide entry-level facility operators to implement foundational practice without it being too onerous given that they may have limited resources. This approach also provides a clear path to advancement.

Document:
Claims

3. Types of Reporting & Claims

COMMENT:

Foundational practice for some requirements in performance areas (PAs) is very basic. If the logo is to have credibility, I believe the majority of PA's should be at a Good Practice level, therefore support the 75%/75% threshold. However, some PA's and associated requirements could be declared as pre-requisites/must-haves to attain the logo depending on the risk associated with them and therefore potential liability e.g. Human Rights, Child & Enforced Labour and Tailings Management.

In line with the Additional Consultations Questions A, companies may indeed be deterred from applying for the consolidated standard. Is there support that could be offered to help companies, where they are close but lacking in some PA's, to raise their standards within a certain timeframe so that they don't have to go through the whole Assurance Process again? Could this be a programme of mentorship from a Leading/Good Practice company to guide a Foundational Performance company through the uplift and help them with case studies/templates?

Re: Additional Consultations Questions C - could there be a tiered logo system (though it would need to be kept simple with only 2 or 3 tiers). Tier 1 - 75%/75% threshold met; Tier 2 - minimum 100% Good Practice across all PAs; Tier 3 - greater than 50% Leading Practice across PAs? Investors (particularly institutional investors) will start to incentivise once they call out and recognise the Good Practice and Leading Consolidated Standard holders.

Disclaimer

COMMENT:

Page 7 states "Please refer to the Consolidated Standard Assurance

Process for a description of how Assured Reporting fits within the assurance process".

For completeness and full understanding, both the Assured and Self-Assessed description and example time-lines should be set out in this document.

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}Foundational practice for some requirements in performance areas (PAs) is very basic. If the logo is to have credibility, I believe the majority of PA's should be at a Good Practice level, therefore support the 75%/75% threshold. However, some PA's and associated requirements could be declared as pre-requisites/must-haves to attain the logo depending on the risk associated with them and therefore potential liability e.g. Human Rights, Child & Enforced Labour and Tailings Management.

Additional Consultation Questions:

1. Companies may indeed be deterred from applying for the consolidated standard. Is there support that could be offered to help companies, where they are close but lacking in some PA's, to raise their standards within a certain timeframe so that they don't have to go through the whole Assurance Process again? Could this be a programme of mentorship from a Leading/Good Practice company to guide a Foundational Performance company through the uplift and help them with case studies/templates?
2. I have addressed this above.
3. Could there be a tiered logo system (though it would need to be kept simple with only 2 or 3 tiers). Tier 1 - 75%/75% threshold met; Tier 2 - minimum 100% Good Practice across all PAs; Tier 3 - greater than 50% Leading Practice across PAs? Investors (particularly institutional investors) will start to incentivise once they call out and recognise the Good Practice and Leading Consolidated Standard holders.\end{quote}