

CMSI Consultation Response

Respondent Details

NAME

Anonymous

COUNTRY

Germany

PERMISSION

Yes, CMSI can disclose my anonymous feedback.

STAKEHOLDER

Industry (midstream/downstream)

ORGANISATION

Anonymous

COMMENTS & QUESTIONS BY DOCUMENT

Document:
Governance

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: **1: Significantly below**

Credibility demands a multidisciplinary approach.

QUESTION 2

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

Response: **no**

The “Foundational” level risks legitimizing insufficient practices, potentially lowering the bar for responsible mining. Moreover, the terminology creates misconceptions: “Foundational” suggests a solid base, yet it is only a temporary starting point. Without a mandatory, time-bound improvement plan, facilities may stagnate at this entry-level tier.

Document:
Assurance

4. Consolidated Standard External Assurance Process

COMMENT:

It is not enough to report publically only on a summary of each performance area as outlined in the draft but there should be a rating and public disclosure of the performance of the mine site for each criteria of a performance level.

COMMENT:

It would be much better if the CSMI would be a real third party audit, where the facility does not choose the assurance provider themselves but is selected by an external party. This minimizes the risk of conflict of interest.

COMMENT:

Maybe I missed this section, but the assurance model description should make clear that the audit is conducted at least by one social and one environmental expert. Furthermore the minimum length of an audit should be defined.

QUESTION 1

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

Response: **2: Below expectations**

Public reporting needs to be more detailed.

Document:
Standard

Performance Area 10: Emergency Preparedness and Response

SECTION: 10.1 Emergency Preparedness and Response Planning, Foundational Practice

COMMENT:

Foundational Practice needs to include: Establish during the design, and update during the operation, threshold values for the monitoring data (mainly water levels, water pressures and displacements) that will indicate that an emergency should be triggered.

COMMENT:

This section should make reference to risk assessment, climate, water and biodiversity/nature as nature-related and climate-related risks are associated with emergency response and preparedness ... floods, storm events, etc. etc.

Performance Area 12: Stakeholder Engagement

SECTION: 12.1 Stakeholder Identification and Engagement, Foundational Practice, 4

COMMENT:

Foundational practice is too basic - need to just focus on achieving good practice (This is a significant step backwards.)

SECTION: 12.1 Stakeholder Identification and Engagement, Good Practice, 1

COMMENT:

Meaningful engagement is good. But there should be more emphasis on effective dialogue and some of IRMA's requirements to have independent experts working with the communities.

The "leading practice" should probably just be moved to "good practice"

COMMENT:

Suggest linking this section also to: Climate, Water, Biodiversity/Nature as they are all aspects that require stakeholder engagement and involvement. Ecosystem services is key to livelihoods in many contexts. As is access to water, climate adaptation and mitigation. This should cut across all performance levels

Performance Area 13: Community Impacts and Benefits

SECTION: 13.1 Identify and Address Community Impacts, Foundational Practice

COMMENT:

The Foundational Performance elements are lacking in substance and make no effort to mitigate negative impacts to communities. Monitoring adverse impacts is not the same as ensuring a no harm outcome ... which should be the basic minimum for any mining company operating in a socioecological context (i.e. anywhere). Please broaden the scope of the Foundational Performance to include impact mitigation and contribution to positive outcomes for communities.

As it stands, this is inconsistent with other chapters dealing with Human Rights, Stakeholder Engagement and managing social impacts.

COMMENT:

Encourage consistency with the local communities' preferences and needs, traditional and cultural heritage

Performance Area 14: Indigenous Peoples

COMMENT:

Include FPIC as a basic requirement

COMMENT:

Leading practice should be good practice.

Performance Area 17: Grievance Management

SECTION: 17.1 Grievance Mechanism for Stakeholders and Rights, Holders

COMMENT:

Foundational practices does not meet the UNGPs, which are to be considered as minimum requirements which is also requested by legal regulation (CSDDD)

Performance Area 18: Water Stewardship

SECTION: 18.1 Water Management and Performance, Foundational Practice

COMMENT:

Must include:

“Implement actions to reduce the amount of water withdrawn as well as the wastewater pollution load across operational activities.”

and

“Design and maintain during operation, closure and post-closure, a storm water diversion system that prevents freshwater ingress into the TSF and discharges to natural courses downstream of the TSF with adequate sediment ponds and outfalls that protect the receiving environment.”

SECTION: 18.1 Water Management and Performance, Good Practice

COMMENT:

Good Practice need to include: “Develop a water management strategy that minimizes, as practically as possible, the use of freshwater make-up for the process facility. This includes: (i) Reducing the amount of process water discharged with the tailings into the TSF, by thickening the tailings stream at the plant and reusing the process water recovered from the thickening. This reduces water losses at the TSF by evaporation and infiltration, and enhances TSF stability; and (ii) Evaluate the use of untreated contact water for some of the process steps and implement it when possible.”

SECTION: 18.1 Water Management and Performance, Leading Practice, 1

COMMENT:

Include: Calculate water intensity of the Facility’s products and make it available to customers on request

COMMENT:

There should be explicit mention in this PA on ecological flows and the importance of characterising and understanding ecological flows necessary to maintain the ecological function, health and integrity of the ecosystem within the waterbasin. This includes water recharge (aquifers etc.) and ensuring ecosystem services are maintained to support management of physical climate risks, operational risk and community use.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Foundational Practice

COMMENT:

Local knowledge should be used where “possible” rather than “where available” ... effort needs to be made to find experts to ensure access to local knowledge

There is no mention of metrics or measurement as part of monitoring or disclosure requirements - in either Good or Leadership Practice... Metrics and indicators are fundamental part of how you are able to demonstrate progress towards an objective and needs to be included here

Metrics, measurement and monitoring are interdependent and yet there is no mention of metrics or measurement. This may be implicit in the NNL or NG objectives, but it is important for facilities and companies to know

that they need to be able to do some form of biodiversity accounting as part of their obligations ... and that means good data collected, collated and curated in a way that can then be useful for management actions as well as disclosure reporting.

Ecosystem services are a key component of this Performance Area. Foundational Practice also needs to assess ES as these are fundamental to managing operational risk, physical climate risk, social management programmes with local communities and Indigenous Peoples etc. A basic biodiversity baseline should not be the threshold of good practice ... an ecosystems services assessment is a fundamental part of the baseline and is not difficult to do. This should be undertaken to assess both the company's/facility's impacts and dependencies on ecosystem services as well as those of the local communities... ecosystem services impacts often lead to conflict and competition and therefore need to be well understood. They are also important parts of the mitigation and restoration options for a mine site, and they are often the first opportunities that win acceptability and support from local communities, and also underpin the resilience and integrity of the ecosystem in the longer term.

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Good Practice

COMMENT:

It would be useful to have reference to an ecosystem services management strategy as part of the biodiversity management plan. This is likely to have a different focus to e.g. a species or habitat -focused management plan that would be directed at key biodiversity features (sensitive biodiversity). This is often a neglected but hugely important part of managing BES ...

It would also benefit from mention of nature based solutions and how these fit into the whole assessment of mitigation and management actions at a site (particularly useful to manage ecosystem services impacts and dependencies) (beyond natural climate solutions to include e.g. water, erosion, soil productivity, aesthetics etc. management)

NBS should mention connection with stakeholders as well.

Performance Area 20: Climate Action

SECTION: 20.1 Corporate Climate Change Strategy (Corporate Level), Foundational Practice

COMMENT:

Foundational practice should include mention to reducing emissions across all scopes and not only at corporate level, aligned with IPCC science and SBTI

Point 1 and 2 in good practice should be foundational. Point 3 should be move to foundational addressing scope 1 only.

SECTION: 20.1 Corporate Climate Change Strategy (Corporate Level), Good Practice, 3

COMMENT:

Point 3 in good practice should mention scope 2 and 3 only.

Performance Area 21: Tailings Management

SECTION: 21.1 Tailings Management, Foundational Practice

COMMENT:

This Level needs to include:

“Evaluate and implement design, operational practices and closure design that ensure physical stability of the TSFs. It is noted that TSF failure may cause great environmental and social harm that largely exceeds other impacts intended to be prevented by the CMSI.”

In addition to the stated applications of the GISTM and MAC’s Tailings Management Protocol, apply to all phases of the mine life, the chapter “Management of Physical Stability” incorporated into Principle 4 “Environmental Responsibility” of IRMA version 2.0.

SECTION: 21.1 Tailings Management, Good Practice, 1

COMMENT:

Need to include: “Implement, as practically as possible, operational practices that promote stability of the TSFs and reduce environmental impacts, such as minimizing water accumulation in the TSFs and forming tailings beaches that displace the supernatant pond away from the embankments”

SECTION: NA, Foundational Practice

COMMENT:

This section is very brief, which is because it refers to GISTM and ICMM guidance etc. but there should be explicit mention of some of the core principles therein, particularly for Foundation Practice..

Performance Area 22: Pollution Prevention

SECTION: 22.1 Non, mineral Waste and Hazardous Materials Management

COMMENT:

Include: Publicly disclose a description of Facility-level primary waste streams”

COMMENT:

Include: Publicly disclose a Facility-level waste streams including amounts

Performance Area 24: Closure

SECTION: 24.1 Closure Management, Foundational Practice, 2

COMMENT:

Item 2, first line, replace with: Develop a closure (!) plan in line with regulatory requirements and best international practices, ...

New item 3: In the closure (!) plan, develop a surface water management strategy that allows discharging runoff from the mine area without need for water treatment, by including decontamination of mine features, designing adequate covers, and controlling erosion.

SECTION: 24.1 Closure Management, Good Practice, 8

COMMENT:

Must include: Point 8 from good practice: Establish financial assurance for closure through guarantees, bonds, or other

financial instruments (which in some instances are legally prescribed).

Financial assurance may include self-funding where legally permissible

COMMENT:

Be explicit about the importance of social and environmental outcomes from closure planning. Include reference to nature-based solutions as options that can accelerate and generate outcomes that are nature positive, ecologically robust, can contribute to social, economic, climate, water and biodiversity objectives etc. This is otherwise very bland and unimaginative and lacks innovation and an integrated solutions-driven approach.

Performance Area 3: Responsible Supply Chains

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Foundational Practice

COMMENT:

Foundational practice should include the implementation of human rights due diligence in supply chains

Performance Area 4: New Projects, Expansions and Resettlement

SECTION: 4.1 Risk and Impact Assessments of New Projects and Expansions

COMMENT:

All the items mentioned below for Performance Areas 10, 18, 21 and 24 apply to Performance Area 4.

SECTION: 4.2 Land Acquisition and Resettlement, Foundational Practice

COMMENT:

There should be explicit mention of commitment to implement Free Prior and Informed Consent processes.

This all should be part of foundational practices: 4. Implement actions and remedies that avoid, minimise mitigate or compensate for adverse impacts of involuntary physical and/or economic displacement, paying particular attention to women, vulnerable and/or underrepresented groups.

5. Provide compensation for lost assets at full replacement cost and other assistance to help displaced people improve or restore their livelihoods and standard of living, in a transparent, consistent, and equitable manner.

6. Provide opportunities to displaced communities and persons to derive appropriate development benefits from the Facility (See Performance Area)

SECTION: 4.2 Land Acquisition and Resettlement, Leading Practice, 1

COMMENT:

Point 1 from Leading Practice should also be part of Good Practice . This should be part of the compensation and social management programme of any mining company.

COMMENT:

Leading Practice should no longer be differentiated by reference to consultation practices including women and minority groups - this should be a fundamental part of the Good Practice principles. This is a non-negotiable.

COMMENT:

The foundation level is unacceptable. Suggestion to use IFC PS5 "good practice" and "foundation" deleted.

Performance Area 5: Human Rights

SECTION: 5.1 Human Rights, Leading Practice, 1

COMMENT:

Point 1 of leading practice should also be part of Good Practice . This should be part of the compensation and social management programme of any mining company.

Performance Area 8: Diversity, Equity, and Inclusion

SECTION: 8.1 Governance of Diversity, Equity, and Inclusion (Corporate Level), Good Practice, 1

COMMENT:

Point 1 in good practice should be part of foundational practice as it not enough to have commitments but a company needs a strategy to achieve them.

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: 3: Meets expectations

There is a lot of interesting elements and the scope of the proposed standard covers the main elements. The 3 tier escalation system is an interesting way to assess performance and improvement.

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: 1: Significantly below

The proposed standard needs some serious further work to ensure 1. that it reflects at a minimum minimum existing requirements and 2. That the escalation points between level of practice reflect actual improvement in the quality of the practice.

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: 1: Significantly below

I strongly recommend removing the “Foundational” level. The wording and level is misleading as it is in some cases not a good foundation for practice bad instead “bad practice”/a step backwards as it does not meet minimum requirements. Through the too weak expectation of the “foundational” practice I fear that by accepting this as a practice the standard will fail to be useful to downstream users. This is for two reasons 1. it diminishes the CMS credibility and 2. the standard will standard will not meet legal requirements.

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

Foundational practice has no place in any performance claim. In general the foundational level should only be accepted in exceptional cases and with a mandatory, time-bound improvement plan.

In order to have any chance to be taken seriously in its ambitions the CMSI must create a system that clearly requires companies to move from good to leading practices. Mining companies must commit to move to leading practice within 5-10 years for example. If not, the CMSI does only supports the status quo of ESG performance of mining companies and neglects/contradicts: - customer demands - rising legal requirements - stakeholder expectations.