

CMSI Consultation Response

Respondent Details

NAME

Sunny Misser

COUNTRY

United Kingdom

PERMISSION

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

STAKEHOLDER

Other

ORGANISATION

AccountAbility

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: No Response

QUESTION 2

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

Response: unsure

Document:
Assurance

4. Consolidated Standard External Assurance Process

COMMENT:

We recommend you reference the AA1000 Assurance Standard (AA1000AS v3) in this section to guide your members to the relevant sustainability assurance standards available.

AccountAbility's AA1000 Series of Standards have been used by organizations large and small, private and public, for over two decades. Users regard the AA1000AS v3 for its ability to practically guide the users sustainability strategy, implementation, and reporting.

AA1000AS v3 requires AccountAbility licensed assurance providers (which we recognize you reference later on in this document) to follow a robust process before issuing Assurance Statements to reporting companies to ensure quality and transparency. Licensed assurance providers and assurance practitioners involved in all AA1000AS v3 assurance engagements complete a license agreement and must operate under and be bound by the AA1000AS v3 Code of Practice. Values associated with this commitment deepen and reinforce assurance professionalism and effectiveness while safeguarding the high-quality application of the AA1000AS v3.

All assured reports (1150+ per year) are added to a public web list on the AccountAbility Standards website, accessible via -<https://www.accountability.org/standards/aa1000-assurance-standard/aa1000as-reports/>

This process should help support your objectives and ensure a high quality of assurance over sustainability information. If you wish to discuss this further, please contact us at standards@accountability.org

QUESTION 1

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

Response: **2: Below expectations**

Would benefit from the inclusion of the AA1000 Assurance Standard as another option for members to use to assure sustainability information.

Document:
Standard

Performance Area 1: Corporate Requirements

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Foundational Practice

COMMENT:

Identify an individual(s) from senior management to be responsible for corporate-wide sustainability practice and performance.

The CSO should be part of senior management and report directly to the CEO to ensure alignment and accountability at the highest level. However, in practice, CSOs often do not report to the CEO, which can limit their influence and the integration of sustainability into the company's core strategy. Furthermore, the CSO should be a core member of the company's operations and not operate in a silo. In large corporations, there are often additional experts focused on specific material issues, such as a Head or Chief of Climate Strategy, Inclusion, or Nature & Biodiversity. Clarifying the roles and responsibilities of these positions—and determining who they report to and support—is essential. It is equally important for the CEO to have a primary point of contact (POC) for all sustainability issues and to ensure that the CSO's scope of authority and responsibilities are well-defined.

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Good Practice

COMMENT:

It is important to distinguish between management and governance. The CEO should have the ultimate overview of corporate-wide sustainability practices and performance, and the board should constructively challenge and advise the CEO on management of initiatives.

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Good Practice

COMMENT:

It is essential to distinguish between management and governance in establishing accountability for corporate-wide sustainability strategy. The CEO should maintain an overarching responsibility for sustainability practices and performance across the organisation, ensuring effective implementation and oversight.

The board's role should be to provide constructive guidance, challenge, and support to the CEO and senior management, advising on initiatives and helping to steer the organisation's sustainability strategy from a governance perspective.

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Good Practice

COMMENT:

We often observe a significant disconnect between companies' sustainability policies and their overarching corporate strategies. For instance, approaches outlined in sustainability reports may not always align with the corporate strategy, relevant board committee charters, or other guiding documents—and sometimes, the reverse is true as well.

To address this, it is beneficial to equip the board with a stakeholder governance dashboard that summarises the organisation's current engagement levels with various stakeholder groups and their corresponding KPIs.

This tool allows investment decisions to factor in the potential impacts on different stakeholders, ensuring that corporate actions, including those related to facility design, operation, closure, as well as mergers, acquisitions, and divestments, are informed by a holistic view of their social and environmental impact.

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Good Practice

COMMENT:

Linking senior executive compensation to sustainability metrics is most effective when tailored to the company's specific business context and topics of greatest materiality to the industry.

We recommend including components tied to material issues for the mining industry, such as GHG Emissions, Air Quality, Energy Management, Water & Wastewater Management, Waste & Hazardous Materials Management, Ecological Impacts, Human Rights & Community Relations, Labour Practices, Employee Health & Safety, Business Ethics, and Critical Incident Risk Management (all as per SASB).

The category addresses management of the company's impacts on ecosystems and biodiversity through activities including, but not limited to, land use for exploration, natural resource extraction, and cultivation, as well as project development, construction, and siting. The impacts include, but are not limited to, biodiversity loss, habitat destruction, and deforestation at all stages - planning, land acquisition, permitting, development, operations, and site remediation. The category does not cover impacts of climate change on ecosystems, to reflect the organisation's unique sustainability priorities.

To drive meaningful behaviour change, a substantial portion of at-risk compensation should be dedicated to these metrics, creating strong incentives for progress.

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Leading Practice

COMMENT:

Some of the most progressive ESG-aligned compensation structures incorporate the "3P" approach—People, Planet, Profit—where financial performance represents only one-third of the overall package, balancing it with social and environmental targets.

Additional components and performance modifiers specific to meeting the Good Practice or Leading Practice standards can be added, ensuring that compensation is linked to advancing sustainability outcomes aligned with the Standard's benchmarks.

SECTION: 1.1 Board and Executive Accountability, Policy and Decision, Making, Leading Practice

COMMENT:

Establishing a standalone board committee dedicated to sustainability matters is not always necessary; the decision should consider factors such as the board’s structure, directors’ expertise, size, and industry. In some cases, sustainability oversight can be incorporated into an existing committee, or the board can be supported by an external advisory group composed of internal and external experts and stakeholders.

Regardless of the structure chosen, it is essential to clearly define the committee’s responsibilities and key material issues within its charter or terms of reference to ensure accountability. Major updates and decisions on sustainability should then be brought to the full board for review and approval, reinforcing board-wide commitment and oversight.

SECTION: 1.2 Sustainability Reporting, Foundational Practice, 1

COMMENT:

Identifying material sustainability risks and opportunities for external disclosure begins with conducting a comprehensive materiality assessment. This assessment can take the form of single materiality, focusing on financial impacts, or double materiality, which also considers the company’s environmental and social impacts. We recommend a double materiality assessment, particularly to align with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

Equally crucial is identifying and understanding relevant stakeholders, as their perspectives can significantly shape which issues are deemed material. This dual focus ensures that disclosures capture both financial and impact-related materiality, offering a well-rounded view of sustainability risks and opportunities.

SECTION: 1.2 Sustainability Reporting, Foundational Practice, 2

COMMENT:

Sustainability disclosures should ideally be integrated into the company’s overall annual report to align with its strategic intent. However, issuing a separate, dedicated sustainability report can enhance transparency by highlighting specific targets, commitments, and progress in greater detail.

A standalone report also allows the company to highlight tailored sustainability approaches across different business units, geographies, and focus areas, providing stakeholders with a more comprehensive understanding of sustainability initiatives and performance across the organisation.

SECTION: 1.2 Sustainability Reporting, Good Practice, 1

COMMENT:

Closely monitor evolving regulations and reporting requirements, as the landscape remains dynamic with over 2,000 sustainability regulations currently in various stages globally.

Preparing to align with leading standards, such as the ISSB and GRI, is advisable, as these are expected to gain “Equivalence” with other emerging regulations (e.g., the California Climate Law and ISSB).

Looking ahead, organisations may need to navigate three primary sets of standards: financial reporting (GAAP/IFRS), capital market-focused sustainability disclosures (ISSB), and stakeholder/impact-focused reporting (GRI). Aligning with these recognised standards ensures comprehensive and globally relevant sustainability disclosures.

SECTION: 1.2 Sustainability Reporting, Leading Practice, 1

COMMENT:

We recommend making this a more aspirational requirement and encourage organisations to integrate material topics identified through a double materiality assessment directly into their enterprise-wide strategy.

This would strengthen the link between strategic and sustainability objectives and enable the inclusion of sustainability metrics in Board and Executive decision making. Due to current European regulations, which are anticipated to impact companies globally, it is already considered a foundational practice to conduct a double materiality assessment to inform your sustainability strategy.

SECTION: 1.2 Sustainability Reporting, Leading Practice, 2

COMMENT:

AccountAbility issues the AA1000 Series of Standards to guide sustainability practices across industries. These principles-based frameworks guide organizations through the process of identifying, prioritizing, and responding to sustainability challenges, with the goal of improving long-term performance. We believe the top-level guidance provided by the AA1000 Series of Standards will build upon the performance area standards highlighted in the consultation draft, and guide organizations on how to best collect, report and manage sustainability data with a wider perspective.

These Principles are:

•

Inclusivity - People should have a say in the decisions that impact them.

•

Materiality - Decisionmakers should identify and be clear about the sustainability topics that matter.

•

Responsiveness - Organizations should act transparently on material sustainability topics and their related impacts.

•

Impact - Organizations should monitor, measure, and be accountable for how their actions affect their broader ecosystems.

Specifically relevant Assurance Standards within the AA1000 series are the Stakeholder Engagement Standard, and Guidance on Assuring GHG Emissions. We recommend independent assurance providers to be AA1000 certified.

SECTION: 1.4 Risk Assessment, Foundational Practice, 1

COMMENT:

In addition to appointing a dedicated individual responsible for assessing risks to local stakeholders, rights-holders, workers, and the environment, it is recommended to appoint a representative of the respective rights-holders or indigenous groups (if relevant) to the subsidiary board of the local business entity. This approach ensures that local perspectives are directly integrated into decision-making processes.

For operations where these activities significantly impact the business, these representatives may also serve on the parent board, enhancing alignment and accountability at the corporate level.

SECTION: 1.4 Risk Assessment, Foundational Practice, 2

COMMENT:

To assess and prioritise key risks from the facility, the risk assessment process should encompass not only the immediate operations of the facility but also the entire lifecycle of facilities including closures, and essential products and services, including those provided by suppliers. This broader approach ensures a comprehensive understanding of potential risks. For instance, geopolitical instability can significantly threaten the resilience

of value chains, particularly when key suppliers—often small to mid-sized enterprises in emerging markets—lack the resources to invest in risk mitigation measures.

These vulnerabilities can disrupt supply chains and affect the financial stability of the entire value chain.

Additionally, interconnected crises, or “polycrises,” are increasingly affecting both emerging and developed economies in new and sometimes unpredictable ways. For example, climate-related changes, such as rising temperatures, have been linked to spikes in violent crime, demonstrating the far-reaching impact of environmental shifts on social dynamics. Therefore, when assessing and prioritising risks, it is critical to consider both direct and indirect factors that could affect the facility’s operations and broader societal impacts.

SECTION: 1.4 Risk Assessment, Good Practice, 1

COMMENT:

Environmental and social risks as defined in the materiality assessment should be part of the risk register.

SECTION: 1.4 Risk Assessment, Leading Practice, 1

COMMENT:

AccountAbility issues the AA1000 Stakeholder Engagement Standard, which provides guidance to organizations on the development of stakeholder engagement processes that are purpose-driven, robust, and deliver impactful outcomes, with the ultimate intention of improving communications and informing business decisions. We recommend organisations to consider aligning to the AA1000 Stakeholder Engagement Standard to ensure a robust engagement process with external stakeholders.

SECTION: 1.5 Crisis Management and Communications, Foundational Practice, 1

COMMENT:

Scenario analysis should be conducted not only based on technical models and probability, but also on contextual factors and plausibility (not assigning probability to any potential future). Conducting workshops with senior executives, experts, and board members to define and test scenarios that might only be remotely possible can inform strategy in the present and help to create resilience.

The Oxford Scenario Planning Approach (OSPA) is a particularly good approach to future framing and has been proven with many corporate practitioners

SECTION: 1.5 Crisis Management and Communications, Foundational Practice, 2

COMMENT:

Given the evolving nature of risk and uncertainty, any Corporate Crisis Response Plans should be:

☒

Reviewed and updated regularly, at least once bi-annually, to account for and include new risks as necessary

☒

Responsive to a wide variety of risks. Companies may consider a stakeholder engagement sessions as recommended in the AA1000 Stakeholder Engagement Standards.

SECTION: 1.5 Crisis Management and Communications, Foundational Practice, 3

COMMENT:

The board should also have visibility and clearly understand response mechanisms as well as challenge the robustness of them. It should further have a plan on what to do when the dedicated senior executive becomes incapacitated.

SECTION: 1.5 Crisis Management and Communications, Good Practice, 1

COMMENT:

- A. Identifies a crisis response team with defined roles, responsibilities, and reporting structures.*
 - B. Describes how corporate will support and coordinate with facilities in the event of a Facility-based crisis.*
 - C. Establishes crisis control centres at corporate and Facility levels.*
 - D. Includes a mechanism to maintain effective and up-to-date communications with relevant stakeholders, including employees and the media, during a crisis.*
 - E. Contains contact information, including for the crisis response team, media, and other relevant stakeholders.*
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SECTION: 1.5 Crisis Management and Communications, Good Practice, 4

COMMENT:

- A. When there is a change of personnel associated with implementation of the plan to update contact details,*
 - B. When there is a material change to the identified emergency and crisis scenarios, and/or C. At least every two years.*
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Performance Area 12: Stakeholder Engagement

SECTION: Intent

COMMENT:

AccountAbility issues the AA1000 Stakeholder Engagement Standard, which provides guidance to organizations on the development of stakeholder engagement processes that are purpose-driven, robust, and deliver impactful outcomes, with the ultimate intention of improving communications and informing business decisions.

This free resource is used by many organizations and multilateral entities that want to establish a benchmark for stakeholder engagement and ensure consistency of its application across organizations. We recommend organizations consider aligning to the AA1000 Stakeholder Engagement Standard to ensure a robust engagement process with all stakeholders and apply the principles of inclusivity, responsiveness, materiality and impact.

Find it here: <https://www.accountability.org/standards/aa1000-stakeholder-engagement-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: **No Response**

Please see comments in the response

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: No Response

Please see comments in the response

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: No Response

Please see comments in the response

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