CMSI Consultation Response

Respondent Details

NAME
Andrea Vaccari

COUNTRY
United States

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

STAKEHOLDER
Industry (upstream)

ORGANISATION
Freeport-McMoRan, Inc.

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:

In our experience at this level of assurance these report timelines are too fast. Especially when an assurer is working across multiple facilities for a company. Often, for a thorough evidenciary process after the facility visit, time is needed for the assessor to review what they have learned and gathered and determine follow up questions/queries, which then need time for response.

COMMENT:

Similar to the above comment, given all the work required in the final period, it can take time to develop the plan. Not months and months, but perhaps more than 30 days.

QUESTION 1
From your perspective, does the Assurance process meet your expectations of a robust, credible, replicable and transparent approach?
Response: No Response

Document:
Standard

Introduction

COMMENT:

As previously commented, we believe that conducting an "independent review (of effectiveness) at defined intervals" is not truly a leading practice and will lead to duplicate audits/assurance which can be of minimal value and quality. In some places in the standard this type of requirement is listed as leading and in some it is listed as good practice. Further, it is difficult to understand where the numerous other audits we have third parties conduct would qualify (eg external ISO management system audits, other types of audits by a consultant, etc.) to fulfill these. It would be useful to better understand this.

We would like to re-emphasize that we believe leading practices typically involve collaboration to reduce cumulative impacts, investment in new innovations or technologies, partnerships, etc.

Performance Area 1: Corporate Requirements

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

COMMENT:

Suggest to modify to "Publicly disclose a policy(ies) or commitment(s) covering applicable performance

areas in the standard." Then whether it is one policy or several and site or facility level is up to the participant.

SECTION: 1.2 Sustainability Reporting, Leading Practice, 2

COMMENT:

Our view is that annual sustainability report assurance should be Good Practice level for the standard to be robust enough.

Performance Area 11: Security Management

SECTION: 11.1 Security Management, Good Practice, 2

COMMENT:

Suggest a synonym to "urge" in a standard. "Communicate and engage" could be an alternative.

Performance Area 18: Water Stewardship

COMMENT:

We continue to see that some Performance Areas are written in a different style than others. Some performance areas remain "list-like" in nature, while others are more management system oriented. The former approach does not enable prioritization by risk or opportunity, can be overwhelming for small to medium sites/companies, and may lead to minimal value in assurance, where each "item" on the list must be validated with significant evidence trails. This approach prevents assurers from focusing on risk-based (including business, stakeholders and rights holders) implementation. In addition, some Performance Areas are written more like a guidance document or similar to the language in a good practice guide rather than standards. These include the Water and Indigenous Peoples performance areas, which now have broad guidance type requirements rather than standards-style requirements, which can be very difficult to assure. As well, many of these "new" requirements require cooperation, participation and information to be provided by external parties, which is a significant challenge for an assurance-based standard. This does not mean we do not believe they add value as we do many of these efforts, however, they are difficult to assure it a standard like setting. Furthermore, some requirements in relation to "impacts" are vaguely written and are not clearly tied to legal frameworks, which in many case define acceptable and unacceptable impacts. We would suggest to review what could remain in ICMM Good Practice/Management Guides or Position Statements vs in the standard itself. Position Statements may have some appropriate content that could be adjusted for a Standard around a management system, but not Good Practice Guides in our opinion.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Foundational Practice, 2

COMMENT:

The inclusion of Key Biodiversity Areas (KBAs) within the scope of compliance with restrictions established (19.1FP2), alongside legally designated protected areas and their buffer zone, is a significant challenge. KBAs are in constant flux and their designation and management are not currently managed through a consistent, transparent process. We suggest limiting the scope of the requirement to "Comply with restrictions established for legally designated protected areas and their buffer areas, including Ramsar Sites." Should the concept of KBAs remain important to the Consolidated Standards, we recommend drafting a separate requirement in line with "an ambition" to align with KBA restrictions or, at a minimum, to track the presence of KBAs in proximity to operations.

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

COMMENT:

The language in 19.1GP1, specifically to "offer alternative provision of services" as the sole remedy for communities whose provisions of ecosystem services could not be maintained or improved is overly restrictive. The possible resolution or mitigation measures should be expanded in the requirement.

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Leading Practice, 2

COMMENT:

We believe that requirement 19.1LP2, "integrating nature considerations into business decision-making", should be at the "good practice" level. Recategorizing the requirement would result in the remaining Leading Practice requirements firmly focused on achieving Net Gain, offering a clear and consistent message as part of the Consolidated Standards.

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Leading Practice, 3

COMMENT:

We recommended dividing the two distinct concepts presented in 19.1LP3 into separate requirements. As a result, one requirement would address the "collaboration with stakeholders and rights-holders". The other would introduce the idea of "securing the long-term protection of areas of importance to achieving no net loss or net gain".

Performance Area 23: Circular Economy

SECTION: 23.2 Additional Requirements for Smelters, Good Practice, 1

COMMENT:

We would suggest to be more specific here as this implies general promotion of consumer recycling of any type of product? Is promotion the right word given this is at a smelter level?

Performance Area 3: Responsible Supply Chains

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Foundational Practice, 2

COMMENT:

Instead of "design a system to prioritize" in foundational we would suggest "implementing a process to conduct due diligence on business relationships that is commensurate with risk." Otherwise this could be very difficult to assure as it is unclear what is meant by design and prioritize.

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Leading Practice, 10

COMMENT:

Suggest to add here "taking into account confidentiality."

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Leading Practice, 2

COMMENT:

It is hard to see the difference between the good and leading practice levels related to when an adverse impact or risk is identified (GP2 or FP2). Suggest this is differentiated more clearly.

Collaborating to support remedy is extremely challenging in the broad supply chain - often these instances are discovered through due diligence and after the remedy has been applied. However, for longer more chronic type impacts, perhaps the standard would be better served by requirements to encourage continual improvement in the supply chain, for example by encouraging suppliers to subscribe to UNGP and performance standards relevant to their sector/business type.

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Leading Practice, 8

COMMENT:

"Collaborate with business relationships on how to reduce conflicting requirements of customers" does not seem to belong as a performance standard requirement. We would suggest this be reframed to encourage participation in value chain initiatives such as the proposed CMSI Value Chain working groups or other initiatives.

SECTION: 3.2 Responsible Mineral Sourcing, Foundational Practice, 3

COMMENT:

We would suggest to make it clear that the Step 5 report needs to be disclosed publicly and can be done in an integrated report or standalone.

Performance Area 4: New Projects, Expansions and Resettlement

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

COMMENT:

Insert ""Where physical and or economic displacement are unavoidable...." at start of sentence.

Performance Area 8: Diversity, Equity, and Inclusion

SECTION: 8.2 Diversity, Equity, and Inclusion Management (Facility Level), Good Practice, 4

COMMENT:

Suggest this should be risk based - "significant suppliers" - otherwise this would be very difficult to demonstrate in an assurance at the facility level. As it is written as it implies all suppliers (even suppliers of office supplies eg.) and everything associated with DEI. Perhaps the wording could be changed to indicate significant or otherwise prioritized (by risk) suppliers, on-site contractors that are part of the workforce, and relevant facility programs.

Performance Area 9: Safe, Healthy and Respectful Workplaces

SECTION: 9.3 Training, Behaviour and Culture, Foundational Practice, 1

COMMENT:

Suggest to be specific - who is being trained - "workers"?

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

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

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

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