

CMSI Consultation Response

Respondent Details

NAME

Anonymous

COUNTRY

United Kingdom

PERMISSION

Yes, CMSI can disclose my anonymous feedback.

STAKEHOLDER

Assurance provider/auditor

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: No Response

QUESTION 2

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

Response: unsure

Document:
Assurance

3. Who Can Conduct External Assurance?

SECTION: 5

COMMENT:

Under clause 5 there are requirements regarding understanding of indigenous peoples rights and local cultural considerations. Based on extensive experience I know just how hard it is to find such people at a global level much less a local level. Certainly, it is unlikely such people would meet the standalone requirements of an Assurance Provider, though they could form part of a wider team. This will be very challenging to meet in reality.

COMMENT:

Point 3 references assurance experience. Many ESG professionals currently supporting the mining / financing industry are due diligence experts. We generally do not use the term assurance (which is generally more

associated with accounting/management consultancy). Thus despite the fact some of us may have been working in the industry for 25+ years doing due diligence type work, we may struggle to show the relevant experience required by this clause. Does there need to be some wording around equivalent experience to enable a wider pool of individuals to be involved.

COMMENT:

Towards the end is reference to professional organisations - this is stated as a nice to have. There is no reason this should not be compulsory. There are organisations in various countries that welcome overseas members and thus anyone can find an appropriate organisation.

4. Consolidated Standard External Assurance Process

COMMENT:

Here and in other sections there is reference to SME. Is there a need to set out what sort of qualifications would be expected of such people (I am thinking along the lines of what is included in the more recent mineral reporting codes).

COMMENT:

When it comes to risk, some of the easiest ways to identify risk is based on exploration of geographical information (satellite images/Google Earth to identify the surrounding environmental and social setting) and knowledge of the likely processes employed at the site. Someone with good mining experience can look at where a project is and what it is/proposes to do, and based on this identify key risks fairly quickly. A general sustainability professional may struggle with this, particularly the technical mining/processing aspects.

COMMENT:

Here and under 4.2.10 there are a lot of interviews suggested. Although I fully support engagement with these parties I am nervous that the time needed to conduct these will lead to very high Assurance Provider costs and put mining companies off wanting to do the assurance. Not sure the balance is quite right at the moment to support buy in to the standard by mining companies whilst also ensuring all stakeholder/right holder voices are heard.

QUESTION 1

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

Response: **2: Below expectations**

I am concerned that the assurance process as it stands is slanted towards a more tick box type approach similar to that used by accounting type auditors and some management consultants with respect to sustainability reporting. It is predominantly document driven (other than the heavy emphasis on stakeholder interviews, which I support). Although there is reference to SMEs I am not clear on how they will work with the Assurance Provider to ensure that the actual on the ground performance is achieving stated responsible mining/processing objectives. Many of the assurance standards require company infrastructure to be in place to achieve appropriate accreditation and many technical specialists (either individuals or as part of small companies) may not have the same level of company infrastructure as an accountancy/management consultancy firm. There is an opportunity for these groups to work together but how that would fit in practice with this standard remains unclear.

Performance Area 1: Corporate Requirements

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

COMMENT:

Just to say that this is fully supported and I think critical for both new developments and M&As

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

COMMENT:

You could argue this should be good practice?

Performance Area 11: Security Management

SECTION: 11.1 Security Management, Foundational Practice, 1

COMMENT:

Check wording

Performance Area 18: Water Stewardship

SECTION: 18.1 Water Management and Performance, Foundational Practice, 5

COMMENT:

Is the assumption that surface water includes marine waters, where releases may occur directly or near directly to the marine environment.

COMMENT:

This should explicitly require the identification of other water users within the area of influence. It does talk about risks and impact and this implies some knowledge of receptors but I think this needs to be made explicit.

SECTION: 18.1 Water Management and Performance, Foundational Practice, 6

COMMENT:

Should include some reference to including appropriate quality control and assurance. Too often only certain parameters are measured and this does not enable appropriate QA/QC to be done.

SECTION: 18.1 Water Management and Performance, Good Practice, 2

COMMENT:

Why only hydrogeological and not hydrological? A robust understand of surface water movement is equally important?

SECTION: 18.1 Water Management and Performance, Good Practice, 4

COMMENT:

Water resources are predominantly downstream but they can also be upstream if damming of any water bodies is envisaged. I would make this more generic to cover all eventualities.

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

COMMENT:

Annual review of targets is not sufficient for many water resource impacts. Should there not be a requirement for a TARP (target action response plan) for immediately identified failures of target values so that problems can be stopped before becoming a major issue. Basically this should be included in Good Practice No. 9

SECTION: Glossary and Interpretive Guidance

COMMENT:

As noted in comment above, surface water needs an explicit reference to marine waters

COMMENT:

Suggest rather a definition for water users (within the affected catchment). they could be upstream or downstream and may be affected by both water quality changes as well as quantity changes (including increased risk of flooding/drought etc.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Good Practice, 1

COMMENT:

Should at least the identification of potentially affected ecosystem services be included as Foundational Practice, even if the associated engagement occurs in good practice?

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

COMMENT:

Why isn't there a reference to critical habitat (as per IFC PS6) and the differential between no net loss and net gain linked to that?

Performance Area 2: Business Integrity

SECTION: 2.1 Legal Compliance, Foundational Practice, 1

COMMENT:

I often find that companies are pretty good at doing this for environment and H&S but less good when it comes to addressing things like labour - assuming there will be guidance eventually that expands on the scope of what should be covered by this. For example, will it extend to all building regulations etc. It should but not sure if that is the intent.

SECTION: 2.2 Business Ethics and Accountability, Foundational Practice, 1

COMMENT:

Is this not a duplication of what is covered in PA1?

COMMENT:

Applies to whole document - does the term 'worker' need a clear definition and to be shown in italics, specifically to ensure it covers on-site contractors as well as direct employees? Note that I see a definition (in italics) is given in the Worker Protection PA - think this should be applied to the whole document to avoid confusion.

Performance Area 21: Tailings Management

COMMENT:

My concern is that there is too much focus on tailings. Although it is recognised this is a major risk area across both environmental and social aspects, other extractive wastes can also pose significant hazards. By focussing on just tailings and not wider extractive wastes there is a risk that attention is taken away from these hazards. My other extractive wastes I include waste rock (with stability and ARDML potential), other process/treatment wastes (e.g. gypsum, SX/EW sludges, water treatment residues) and slag.

Performance Area 22: Pollution Prevention

SECTION: 22.1 Non, mineral Waste and Hazardous Materials Management, Foundational Practice

COMMENT:

Characterise the hazard potential of wastes streams being generated

SECTION: 22.2 Mineral Wastes, Foundational Practice

COMMENT:

As a minimum all mineral wastes should be adequately characterised to understand their hazard potential (physical, chemical and radiological)

SECTION: 22.2 Mineral Wastes, Good Practice, 1

COMMENT:

and metal leaching. ARD is only one part of the hazard. metal leaching can occur under neutral or alkaline conditions. Also there are other hazards linked to radiation, silica etc so these also need to be considered.

SECTION: 22.2 Mineral Wastes

COMMENT:

As noted above on tailings - I would prefer to see all extractive wastes handled collectively so they receive the same level of importance as tailings.

Performance Area 3: Responsible Supply Chains

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Leading Practice, 1

COMMENT:

Is this not 'whistle blowing' and should it not be in at least good practice, if not foundational practice.

Performance Area 4: New Projects, Expansions and Resettlement

SECTION: 4.1 Risk and Impact Assessments of New Projects and Expansions, Foundational Practice, 1

COMMENT:

Collect recent and seasonally appropriate baseline data - otherwise there is a risk people will say that data that is 5+ years old and reflects a single sample is adequate?

SECTION: 4.1 Risk and Impact Assessments of New Projects and Expansions, Good Practice, 2

COMMENT:

and transboundary

SECTION: 4.1 Risk and Impact Assessments of New Projects and Expansions, Good Practice, 5

COMMENT:

The wording here implies that the ESIA process should inform and be embedded in the project development to influence design (so that it can be disclosed). However, there isn't a clear categorical statement here or under foundational practice that says the interim and final outcomes of the ESIA should be used to inform both design and operational controls.

Performance Area 5: Human Rights

SECTION: 5.1 Human Rights, Good Practice

COMMENT:

As with comment on grievance mechanism, there is reference here to due diligence as well as under supply chain. In both cases there is a goal to achieve protection of human (implicitly including labour) rights due to direct impacts from the facility as well as indirectly through the supply chain. Will there be guidance about how these could be integrated if desired.

COMMENT:

There are references elsewhere to worker grievance mechanisms, supply chain grievance mechanisms, stakeholder (particularly those affected by resettlement) grievance mechanisms and now human rights (and I see more coming up in later PAs, as well as a standalone section on grievances). Is there a need for guidance on the fact that these could be (but don't have to be) handled separately and that if the process is appropriately robust enough it could cover all these different topics as long as it is communicated to affected parties appropriately. Perhaps cross referencing between all of these needs strengthening.

Performance Area 9: Safe, Healthy and Respectful Workplaces

SECTION: 9.3 Training, Behaviour and Culture, Foundational Practice

COMMENT:

What constitutes basic? Will there be guidance on the interpretation of this? I've been on sites where staff get 1 hour training before starting work and others where there is a week long training.

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

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

Will need supporting guidance to enable implementation - some clauses still very open to interpretation.

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

Personally would go with Example 2 as it is important there is a breadth of performance across the different PAs not just strength in a few.