

CMSI Consultation Response

Respondent Details

NAME

Anonymous

COUNTRY

Belgium

PERMISSION

Yes, CMSI can disclose my anonymous feedback.

STAKEHOLDER

Industry / trade organisation

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: 3: Meets expectations

QUESTION 2

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

Response: yes

Document:
Assurance

1. Introduction

SECTION: General

COMMENT:

- The assessing process (auditing) should be open to all potential participants without any exclusion and fully available in all countries and jurisdictions. The opposite would mean ethnic discrimination and market manipulation, which would violate both the international law (WTO rules) and national and regional competition (anti-trust) legislation with the signs of cartel agreement and market exclusion being clearly present.

- Accordingly, we would like the founding members of the standard to facilitate the accreditation of audit companies representing all global regions and different countries (ideally, there should be auditors in each country where an assessed producer/site is located). This would help reduce assessment costs, overcome language barriers, and schedule audits on time. Importantly, opening the auditing market to potential participants from all global regions is good business practice that significantly reduces the risk of potential cartel agreements among the auditors, corruption and (auditing) market manipulation.

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

General comment on Performance Area

COMMENT:

Unified due diligence approach in view of the upcoming amalgamation of several standards, including CS3D:

«Sustainability risks: Sustainability risks are those risks related to the environmental, social and governance practices. At a minimum, risks covered include:

- Those related to human rights, as defined by the UNGPs,*
- Those related to armed conflict, as defined in Annex II of the OECD Due Diligence Guidance for Responsible supply Chains of Minerals from Conflict-Affected and High-Risk Areas,*

(5) Adapted from ICMM Human Rights Due Diligence Guide (2023)

(6) Adapted from Copper Mark Criteria Guide (2023)

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• Those defined in Parts 1 and 2 of the Annex of the Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859

• Those defined in Annex X of the Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries».

How does the CMSI plan to deal with the upcoming amalgamation of the Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy Regulation and Corporate Sustainability Due Diligence Directive (CS3D), into a single omnibus regulation, which has been recently initiated by the EU?

(<https://www.skadden.com/insights/publications/2024/11/eu-seeks-to-simplify-esg-reporting-obligations>)

COMMENT:

- We support the idea of forming a unified industry standard. This will make it easier for companies to comply with sustainability requirements, as now we have to rely on different standards that do not always correlate with each other.

- We believe that it is critical to ensure the Consolidated Standard is fully recognised by the downstream industries. We believe that even at the current stage of standard development, the Initiative should already interact not only with the mining and metallurgical companies and their industry bodies (industrial associations) but also with the downstream industries, in order to make the Consolidated Standard fully recognised by the downstream users. Currently, some downstream industries (specifically, the automotive industry) are considering applying IRMA only for mining companies. This reduces the flexibility of the upstream companies in developing their robust certification framework, carries the risk of multiple audits, and increases administrative fees and costs.

Note: While Mercedes-Benz (Raw Material Report 2024) currently allows both IRMA and The (Copper)Mark to be applied to copper, they only allow IRMA for other metals. Firstly, it doesn't make much sense. Secondly, for multi-metallic producers, it means multiple audits and significant inefficiency.

- We would like to see compliance with this standard as a Track for compliance with the LME Responsible Sourcing policy.

- We propose to make the Standard mutually recognised / harmonized not only with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRA, but with the China Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exporters (CCC MC) Due Diligence Guidelines for Responsible Mineral Supply Chains too, as long as and as far as the CCC MC Guidelines are based on the abovementioned OECD Guidance.

Overarching Glossary

COMMENT:

As far as the vocabulary is concerned, comparing with other industry standards we've found several differences in definitions. Most of the definitions provided in the Standard have made the terms more understandable and clear, thereby reducing the risks of ambiguous interpretations by the auditors and other users.

COMMENT:

we would welcome a clarification on our question below:

«Business relationship: Relationships with business partners, sub-contractors, franchisees, investee companies, and joint venture partners, entities in the supply chain which supply products or services that contribute to the Facility's own operations, products or services» (more precise description than in IRMA; wider than in IRMA).

«Business relationships include relationships beyond contractual, "first tier" or immediate relationships. The ability of a Facility to identify, prevent and mitigate actual and potential adverse impacts varies across different types of business relationships, as well as due to other factors» (same as the OECD)

QUESTION: It is not clear if only the direct suppliers are included OR the sub-suppliers too

«Supplier: An entity in the supply chain that supplies products and services that contribute to the Facility's own operations, products and services» (more precise description than in IRMA; wider than in IRMA).

Performance Area 5: Human Rights

SECTION: 5.1 Human Rights, Foundational Practice, 2

COMMENT:

5.1.2: It is unclear how random and ill-defined "groups or individuals working to promote and protect human rights" are connected to the production sites. It is also unclear how a production site could/should show respect for such a group/individual differently from the respect for and treatment of anyone else. Does it mean that (positive) discrimination is being actively promoted?

Instead, we propose to replace this with a statement about respecting the rights of all stakeholders (which include such groups/ individuals) and employees of a company.

Performance Area 8: Diversity, Equity, and Inclusion

COMMENT:

We are unsure why this section is separate from human rights. Our understanding is that the human rights area (5) already covers most of the issues in Section 8.

Performance Area 9: Safe, Healthy and Respectful Workplaces

SECTION: 9.3 Training, Behaviour and Culture

COMMENT:

“Provide basic training on psychological safety, respectful behaviour, identification of psychosocial hazards, and assessment of psychosocial risks, and maintain training records.”

All foundational requirements that mention “psychosocial hazards and risks” are difficult to accomplish. Firstly, it is not clear what is “psychosocial” in relation to production and mining. The definition given in the standard does not provide clarity. Secondly, according to the national legislation of several jurisdictions, any work related to human psychology could and should be carried out only with the explicit written permission of the person concerned as it is legally considered integral to medical treatment. It is difficult to imagine how one can obtain consent from thousands of workers and also explain to them what “psychosocial hazards and risks” are. Thirdly, it’s not clear how such things can be tracked as this is not an OHS violation that can be visually or instrumentally observed and documented.

We propose to move “psychosocial hazards and risks” from the foundational requirements section to good or leading practice.

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

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: 4: Exceeds expectations

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