

CMSI Consultation Response

Respondent Details

NAME

Marie-Alice Small

COUNTRY

Australia

PERMISSION

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

STAKEHOLDER

Industry (upstream)

ORGANISATION

Pilbara Minerals Ltd

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: unsure

While national panels offer a potentially optimal approach for implementing standards with due consideration of local jurisdictional contexts, this method may introduce additional expenses. Depending on panel rotation schedules, there's a risk of inconsistent standard application. This inconsistency could arise particularly if insufficient precedent-setting materials are gathered during the initial round of audits.

Document:
Assurance

3. Who Can Conduct External Assurance?

COMMENT:

D. National Panels - should include maintaining detailed rationales for decisions made by National Panels and make public examples of how regulatory regimes align with or differ from Performance Areas in their interpretation for guidance / and to ensure precedent creates consistency in the application of the standard.

4. Consolidated Standard External Assurance Process

COMMENT:

Overview of the Assurance Process -

Incorporate flexibility in timing for exceptional circumstances (when unforeseen events divert a facility's resources)

Expand on the facility operator's review step to include error checking, feedback provision as well as redaction requests to ensure the standard accommodates any potential considerations needed for sensitive information.

COMMENT:

Immediate corrective action of 30 days, may not allow sufficient time / additionally, if facility is in dispute with the audit outcome for finalisation of the audit.

QUESTION 1

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

Response: **No Response**

Although the assurance process has been well-designed with provisions for an adequate pool of accredited auditors, the practical implementation will likely face a number of potential hurdles. Suggest the proposed timeline for reviewing self-assessments may prove ambitious for a number of smaller - mid tier mining companies. Assurance availability / cost will be key decision making for adoption of the standard widely (considering costs incurred both by external audit fees and internally with teams needing to resource for quick turn around times).

Document:
Standard

Introduction

SECTION: 4) Implementation of the Consolidated Standard

COMMENT:

Regarding 4.c. Applicability tests verified by the assurance provider and based on evidence.

Suggest that examples are provided for these tests / evidence required under each of the performance areas in question. Without detailed commentary supporting "not applicable" determinations, there is potential for inconsistency in audits and reporting.

SECTION: Introduction

COMMENT:

Suggest integration of a principle to ensure that CMSI remains an effective, and manageable standard that prioritises streamlining criteria when subject to revision, with consideration of practical implementation over any unnecessary expansion. This would provide some certainty to stakeholders when they adopt the standard that it will not be increased to >400 criteria but remain relevant.

Performance Area 1: Corporate Requirements

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

COMMENT:

Regarding mapping, suggest "Establish board and senior management-level accountability and internal reporting processes for the risk management, governance and oversight of corporate-wide sustainability practices and performance." is foundational practice.

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

COMMENT:

Suggest

"Integrate sustainability metrics linked to meeting the Good Practice or Leading Practice of this Standard into senior executive compensation."

Criteria is not required, given integration of sustainability metrics into senior executive compensation adequately covers this under 'Good practice'

SECTION: 1.2 Sustainability Reporting, Leading Practice, 2

COMMENT:

Suggest criteria "Complete independent assurance on the annual sustainability report" is quite broad, given selection of levels of assurance / metric selection and may require further guidance.

SECTION: 1.3 Transparency of Mineral Revenues, Leading Practice, 3

COMMENT:

Question whether the criteria is related to government or government/auditors.

Performance Area 14: Indigenous Peoples

SECTION: Glossary and Interpretive Guidance

COMMENT:

Include the acknowledgement that Indigenous may be controversial as a term for some jurisdictions - as per https://www.icmm.com/website/publications/pdfs/mining-principles/position-statements_indigenous-peoples.pdf?cb=83768 page 15

Performance Area 15: Cultural Heritage

SECTION: Glossary and Interpretive Guidance

COMMENT:

Traditional Owners definition suggest should also include that this connection is often recognised legally in regards to their rights and responsibilities regarding the land and/or waters.

Performance Area 20: Climate Action

COMMENT:

Consider updating given Task Force on Climate Related Financial Disclosure recommendations (TCFD) officially disbanded on October 12, 2023, with the release of the International Sustainability Standards Board's (ISSB) inaugural standards, IFRS S1 and IFRS S2, which incorporate the TCFD recommendations

Performance Area 24: Closure

SECTION: 24.1 Closure Management, Leading Practice, 2

COMMENT:

Potential to include "with consideration of climate risks and opportunities".

Performance Area 7: Rights of Workers

SECTION: 7.1 Workers' Rights Risk, Mitigation and Operational Performance, Foundational Practice, 3

COMMENT:

Terminology "Indigeneity" may be considered controversial in a number of jurisdictions - suggest including ICMM Indigenous Peoples and Mining page 12 explanatory notes, disclaimer to ensure intent of respect is communicated in the standard. Additionally, this can be problematic terminology when many groups who identify as Indigenous are not necessarily the first inhabitants of a region, and some first peoples do not claim Indigenous terminology status

SECTION: 7.1 Workers' Rights Risk, Mitigation and Operational Performance, Good Practice, 9

COMMENT:

Extended shift durations may not align with the requirement as outlined. FIFO workers in Australia typically work 10-12 hour shifts each day during their "on" period. This means that in a single week, a FIFO worker may experience a 70-84 hour week, significantly exceeding the 60-hour limit. Noting, extended rest periods to compensate for the intense work schedules.

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

When considering the varying cost landscape across the industry and with the intention of encouraging adoption of this standard, and support consistent and practical implementation, suggest the disclosure of indicative cost associated participation in this standard is required.

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: 3: Meets expectations

Document:
Claims

2. General Requirements for all Consolidated Standard-Related Reporting & Claims

COMMENT:

Given the complexity as a new standard, the tight timeframe for audit reports may pose significant challenges for many facilities, especially those adopting a standard such as this assurance for the first time. To address this, would recommend a grace period or relief on turnaround times is granted during the first year of adoption. This extended timeline would allow the standard itself to mature and be refined based on initial implementation experiences, while also providing entities that have not previously conducted such assurance the necessary time to develop robust reporting systems, train personnel, and adapt their processes to meet the standard's requirements.

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 \begin{quote}Suggest a participation level logo is considered for entities under-going processes but not yet completed assurance / and that a leading practice claim is developed that incentivises progression to leading practice, suggest this would have to be a higher threshold at >80% of leading criteria.\end{quote}