CMSI Consultation Response

Respondent Details

NAME
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COUNTRY
Australia

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

STAKEHOLDER
Industry (upstream)

ORGANISATION
South32

COMMENTS & QUESTIONS BY DOCUMENT

Document:
Governance

6. What will the composition of the Board look like?

COMMENT:

If director terms are 3 years, can a new director from the same company apply to be on the Board? Or is it also the company term for a director seat? How long does a company have to wait until they can be on the Board again?

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: 4: Exceeds 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:

Improvement required on the diagrams and figures.

COMMENT:

"To attain any of the levels in any of the Performance Areas, all of the requirements in that performance level and all of the performance levels below must be met" - In some performance areas we meet foundational practice level, some good practice, and all leading practice - but would only be rated as "foundational level". Is it possible to assign levels of non-conformance (minor or major) which I believe is important aspect for operations to prioritise improvements.

3. Who Can Conduct External Assurance?

COMMENT:

Is the training for assurance open to anyone? It would be beneficial for company representatives to be able to take this training to prepare for implementation and assurance. Will there be a cost for the training?

4. Consolidated Standard External Assurance Process

COMMENT:

Does the assurance methodology only cover the Facility level of conformance? What about those performance areas for Corporate conformance? (pg 135)

COMMENT:

This figure should include who is undertaking each step - what is completed by the operator versus the assurance provider

COMMENT:

Will the media scan and or grievance mechanism research be shared with the company? Is this scan covered by the assurance fee?

COMMENT:

For facilities owned by different organizations but are located near each other. How can the assurance process limit the ask on local communities and indigenous groups if multiple assurance processes occur at the same time and for each assurance process engagement with external stakeholder groups is required?

COMMENT:

Submission of a continual improvement date within 30 days of the final report is an incredibly quick turnaround, considering that the facility may be able to close out immediate actions within the 30 days. Suggest the improvement plan should be delivered within 90 days.

COMMENT:

The standard does not allow for remote audits, it requires that audits are conducted in-person and onsite. This may prove to be difficult

5. Dispute Resolution Process

COMMENT:

Section 5.2. Is this a sub-committee of the CMSI board? or the Company?

QUESTION 1
From your perspective, does the Assurance process meet your expectations of a robust, credible, replicable and transparent approach?
Response: 4: Exceeds expectations

It will be a big uplift for ICMM member companies that do not currently report against Copper-Mark and TSM, given the need to complete annual self assessments.

> Document:
> ## Standard

General comment on Performance Area

COMMENT:

How does the CMSI bring in new initiatives and standards? Is there a mechanism for ensuring further consolidation will happen as required?

COMMENT:

What is the timing around the Equivalencies with other standards? We would like to see an equivalency mapping for ICMM PE's as a priority, so that companies can see how we rate against the standard in the first instance. We would also like a gap assessment against IRMA.

COMMENT:

More clarity required on Scope, would be good to have a table explaining which Performance areas are required for exploration and development, not only operations

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Introduction

COMMENT:

Does the Good Practice requirement mean that we do not have to report against GRI if we report against the others? Will GRI not be an explicit requirement of the CMSI?

COMMENT:

General Question:

Consistency between mgt plan requirements across nature disciplines is lacking. There may be opportunity to improve consistency of requirements to enable process efficiencies and simplification, particularly at facility level. E.g. Good Practice for PA19 (19.1.7, 19.2 - Biodiversity, requires facilities to develop a biodiversity mgt

plan), while GP for PA20.2 (Climate Facility Level - Develop and implement a plan that includes clear short-and long-term actions towards the achievement of...) and PA22 Pollution prevention has not planning requirements at all (for foundational, good or leading). Other consistency examples, ref to timeframes and horizons, ref to how cumulative impacts should be considered and when).

Overarching Glossary

COMMENT:

Stakeholders: provide definition guidance on the term "legitimate"?

Facility: consider specifically included transport facilities/ infrastructure

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Performance Area 1: Corporate Requirements

SECTION: 1.2 Sustainability Reporting, Good Practice, 1

COMMENT:

Does the Good Practice requirement mean that we do not have to report against GRI if we report against the others? Will GRI not be an explicit requirement of the CMSI?

SECTION: 1.2 Sustainability Reporting, Leading Practice, 1

COMMENT:

Is there an explicit methodology for double materiality that will be required?

SECTION: 1.2 Sustainability Reporting, Leading Practice, 2

COMMENT:

Is independent assurance required for the whole sustainability report?

SECTION: 1.5 Crisis Management and Communications

COMMENT:

This requirement feels out of place compared to the other aspects of PA1. Is there a more appropriate PA to put this in? Is there a leading practice methodology for this that could be identified as an equivalent process?

Performance Area 11: Security Management

SECTION: 11.1 Security Management, Good Practice, 2

COMMENT:

Good practice #2 - include requirements for private security (as outlined in #2 for public security providers)

SECTION: 11.1 Security Management, Good Practice, 7

COMMENT:

Good practice #7 - Private Security providers should also meet the VPSHR

SECTION: Applicability

COMMENT:

Consider providing guidance on what constitutes a human rights risk relating to security to minimise interpretation

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Performance Area 12: Stakeholder Engagement

SECTION: 12.1 Stakeholder Identification and Engagement, Good Practice, 3

COMMENT:

Good practice #3: provide clarity on when stakeholder engagement plans should be developed/ reviewed (e.g., at commencement of new phase of mine life cycle as well as at defined intervals... at minimum every 12 months)

SECTION: 12.1 Stakeholder Identification and Engagement, Leading Practice, 2

COMMENT:

Leading practice definition is unclear 'engage" to what end? Engage stakeholders and rights-holders on broader Facility-related topics such as strategy, procurement and hiring plans, risks and opportunities.

SECTION: Glossary and Interpretive Guidance

COMMENT:

Significant adverse impacts: confirming irremediability is now being used to assess these types of impacts - including those do not related to human rights?

COMMENT:

Rights holders and Vulnerable and underrepresented stakeholders and rights-holders: I think two definitions are being used to define rightsholders (ICMM and CopperMark) - ideally pick one definition.

Performance Area 13: Community Impacts and Benefits

SECTION: 13.1 Identify and Address Community Impacts, Leading Practice, 2

COMMENT:

Needs to link to monitoring community complaints relating to identified impacts. May be a more relevant inclusion in stakeholder engagement section?

SECTION: 13.2 Community Development and Benefits, Foundational Practice, 1

COMMENT:

"Publicly disclose the Facility's commitment to contribute to local community, social and economic development". Should also include commitment to and how to access. Eg social investment criteria and eligibility should be minimum. Perception of lack of transparency is a source of complaints at operations.

SECTION: 13.2 Community Development and Benefits

COMMENT:

Good practice and leading practice should both include understanding the outcomes and impact of the programs and adjusting accordingly in partnership with community. Include definitions of impact and outcomes - refer ICMM guidance note on social and economic reporting.

Performance Area 14: Indigenous Peoples

SECTION: Glossary and Interpretive Guidance

COMMENT:

Suggest aligning definition of Indigenous Peoples with ICMM Indigenous Peoples Position Statement, including references to ILO 169 and UNDRIP

Performance Area 15: Cultural Heritage

SECTION: 15.1 Cultural Heritage Identification and Management, Foundational Practice, 1

COMMENT:

Foundational Practice - 1. Publicly commit to identify, protect and respect cultural heritage. - Suggest removing protect

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Performance Area 16: Artisanal and Small-Scale Mining

SECTION: Glossary and Interpretive Guidance

COMMENT:

Area of Influence needs further definition

Performance Area 17: Grievance Management

SECTION: Glossary and Interpretive Guidance

COMMENT:

Grievance implies escalation, should this be complaint? Define grievance and complaint and link to stakeholder engagement section.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

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

COMMENT:

Comply with restrictions established for Key Biodiversity Areas - recognized globally for significance, however, there is no legal basis behind KBAs. In many instances as opposed to restrictions, there may be opportunities to improve or enhance the values of the KBA. I feel that it is important to recognize the values under which a KBA is in place, however, restricted nature differs to that of the other protected areas discussed.

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

COMMENT:

Rehabilitation and restoration guidance could be strengthened. Reference to guidance material i.e. SER. 'Pursuing where feasible" should be foundational. Stronger practice should be applied to good and leading for example, implementation of progressive rehab to X standard as per SER... for example. Strengthening the quality and quantity aspects of progressive rehabilitation as a key mitigation.

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Good Practice, 5

COMMENT:

Allow for integration of guidance materials i.e. ICMM is developing guidance material to support a transparent methodology to quantify NNL/Net Gain. Suggest material of this nature would be recognized under 'Good Practice" within point 5.

SECTION: 19.1 Biodiversity and Ecosystem Services and Nature, Good Practice, 6

COMMENT:

Good Practice - Requirement 5 and 6. The outcomes are supported. Worth noting that the metrics for no net loss/gain and their application are in development to meet ICMM timelines. Is there a potential timing issue between the objective and the tools to meet it?

COMMENT:

General Comment: Surprised that in the Nature sections that recent nature terminology hasn't been adopted with impacts, dependencies, risk and opportunities? Seems to stick predominately with impacts and risks.

SECTION: Glossary and Interpretive Guidance

COMMENT:

Net Gain Definition: Substantiating net gain - transparent methodology with approach to define as a minimum standard. This will support business claims and reduce greenwashing risk.

Performance Area 20: Climate Action

SECTION: 20.1 Corporate Climate Change Strategy (Corporate Level), Good Practice, 4

COMMENT:

For 20.1.4 (good practice) it is assumed that "on a defined frequency" is user specified. If so, this should be outlined. If not, please clarify.

SECTION: 20.1 Corporate Climate Change Strategy (Corporate Level), Leading Practice, 6

COMMENT:

Leading Practice - Req. 6: not clear on the definition of "science-informed". The definition they provide specifically says that it doesn't need to be SBTi, but says "other temperature-aligned target-setting methods may be used, such as ISO 14068.".

SECTION: 20.1 Corporate Climate Change Strategy (Corporate Level), Leading Practice, 7

COMMENT:

Does this mean we will need to disclose detail on corrective actions if a decarb plan is off track for delivery?

SECTION: Glossary and Interpretive Guidance

COMMENT:

Will the definitions for long-term and short term apply across the standard or only Climate change? If multiple requirements for time horizons across the standard, would recommend the time horizon is aligned.

COMMENT:

For "Climate-Related Risks" heat waves are an acute physical risk, not a chronic risk.

For long-term/short-term, introducing a defined short and long-term time horzion may cause confusion. According to other sustainability reporting requirements (e.g. TCFD) an entity may specify their own time horizons for the purposes of reporting.

COMMENT:

"Carbon price: An instrument that captures the external costs of greenhouse gas (GHG) emissions."

What is meant by "external costs" here? Is this meant to mean "externalities" (i.e. all externalities of GHG emissions)? Is there even an agreed/accepted reference for this? Is this practical? I don't think that is what this is meant to mean, but the definition requires clarification / improvement.

COMMENT:

"Net zero vs 1.5 degree commitments and targets: for the purposes of achieving the Good Practice Level, if a company has committed to net zero, this commitment meets the intent of the Good Practice requirement for a 1.5 degree commitment. The same is true for targets."

There are complexities with this but there may be some important nuance here. This appears to me to be saying that if a company commits to net zero (at any point in time, 2100? 2150?) then this would be considered a 1.5 degree-aligned target. This then potentially also links to the definition of "Science-informed targets or objectives" below, and could therefore mean that a company that commits to net zero by 2150 is deemed to have used a "temperature-aligned target-setting method".

COMMENT:

"Science-informed targets or objectives: [...] Establishing a science-informed target does not need to be done under the Science Based Target Initiative, other temperature-aligned target-setting methods may be used, such as ISO 14068."

The lack of definition of what temperature-aligned target-setting methods are deemed acceptable may mean that this leaves it open to companies to define their own "temperature-aligned target-setting method" and still meet this definition.

Performance Area 24: Closure

SECTION: 24.1 Closure Management, Foundational Practice, 2

COMMENT:

24.1.2 Implies that a closure plan only needs to be developed for regulatory requirements to meet foundation practice. Suggest that good and leading should have closure plans that go well beyond this and that requirements of a mgt plan in this category are specified (i.e. good and leading practice have closure plans that at a minimum meet reg requirements, and include additional elements to deliver benefits to broader stakeholders and society (i.e. NNL, alternative future land forms, etc - which are not necessarily required by regulation).

SECTION: Other Relevant Performance Areas

COMMENT:

Suggest human rights be a relevant performance area and be integrated in the good practice requirements.

Performance Area 3: Responsible Supply Chains

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

COMMENT:

Could a Corporate level Policy related to Responsible Supply chains be applicable at a facility level to meet the foundational practice requirement?

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Good Practice, 5

COMMENT:

Good Practice #5: For clarity- reference to the Facility's prioritised business relationships refers to those that have been prioritised by sustainability risk (in point 1)?

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

COMMENT:

Leading practice #10: Will the collaboration steps in Leading Practice be required to be publicly disclosed?

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Leading Practice, 6

COMMENT:

pg 22, 6. Should be WHERE not were

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities), Leading Practice, 9

COMMENT:

Leading practice #9: suggest definition for rights-holders (is available in glossary for Section 4)

SECTION: 3.1 Responsible Supply Chain (applicable to all facilities)

COMMENT:

Will there be equivalency mapping conducted against the CSDDD?

SECTION: Glossary and Interpretive Guidance

COMMENT:

High or very high risk: for clarity - using the human rights definition of assessing severity (scale, scope and irremediable) to environmental risks?

COMMENT:

Conflict-affected and high-risk areas (CAHRA): is there a preferred methodology to identify what a CAHRA is (e.g., OECD non-exhaustive list, RMI?)

Performance Area 4: New Projects, Expansions and Resettlement

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

COMMENT:

Suggest human rights be added as a key risk to be assessed (it is not inherently captured in social). Alternatively provide a definition for social that includes human rights

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SECTION: 4.1 Risk and Impact Assessments of New Projects and Expansions

COMMENT:

Suggest human rights due diligence (e.g., HRIA) be included as a standalone requirement for good/ leading practice

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SECTION: 4.2 Land Acquisition and Resettlement

COMMENT:

Foundational Practice: suggest all activities should be done in line with IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement

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SECTION: Glossary and Interpretive Guidance

COMMENT:

Adverse impacts: for clarity - using the human rights level of involvement determination (cause, contribute or directly linked) is now applicable to environmental risks?

Performance Area 5: Human Rights

SECTION: 5.1 Human Rights, Good Practice, 1

COMMENT:

Is a standalone human rights policy document required to meet Good Practice?

SECTION: 5.1 Human Rights

COMMENT:

General question: how does the Standard align with the UNGP Reporting Framework - will any equivalency mapping be done?

COMMENT:

Suggest including action plans (and development/ testing of actions with affected rightsholders) as a separate requirement for Good or Best Practice

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Performance Area 6: Child Labour and Modern Slavery

SECTION: 6.1 Risk, Mitigation and Operating Performance, Foundational Practice, 4

COMMENT:

Foundational Practice #4: Suggest reference to ILO is aligned to the document name (the ILO indicators of forced labour doesn't actually reference modern slavery)

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: 4: Exceeds expectations

> Document:
> ## Claims

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

COMMENT:

Section 3.1.1 States that a self assessed report must be published on the consolidated standard website, but not the first one? So only after the first assured assessment is publication on the website required? This needs to be made clearer, it is very confusing. Figure 1 should include when disclosures are required and where they are published.

COMMENT:

If self-assessed reporting by be on the Consolidated standards website, does the company also have to report it in their own public disclosures? website or annual reporting?

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

Example 2 provides more flexibility and so we support the more flexible of the two options. However, the way it is worded is very confusing and we would suggest re-writing the explanation to make it clearer to understand.

Responses to questions. 1. YES, a gradual ramp-up would be supported. A ramp up over a couple of years would be encouraged, especially for those who haven't had to complete annual self assessments previously. 2. No, if we had mandatory performance claims, what is the point of the foundational level? 3. We think that higher-level claims would be beneficial, similar to EcoVadis or Australian RAP levels. Or alternatively different "badge-ing" against the current claims, based on the level of implementation so that there isn't excessive types of logos that could be claimed.