

CMSI Consultation Response

Respondent Details

NAME

Noora Puro

COUNTRY

Netherlands

PERMISSION

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

STAKEHOLDER

Other Standard Setting Body: Reporting Standards developer

ORGANISATION

Global Reporting Initiative

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

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:

We applaud the ambition of the Consolidated Mining Standard Initiative to establish common performance expectations across commodities and geographies with the aim of driving responsible mining at scale. Ensuring sufficient transparency is integral to this ambition -allowing scrutiny of companies' and individual sites'

impacts on the environment, communities and economies. As the developer of the world's most widely used global sustainability reporting standards, GRI promotes transparency and accountability as key pillars to achieve sustainable development.

Further aligning the transparency expectations in the CMS with internationally recognized reporting frameworks would enhance the Standard's credibility and utility. Integrating references to frameworks like the Global Reporting Initiative (GRI), would strengthen the standard's alignment with widely accepted expectations on transparency. The GRI Standards, which exist as a free public good, provide a globally accepted framework for organizations to communicate and demonstrate how they address their impacts on the environment, economy, and people. The development of the GRI Standards is based on a transparent, multi-stakeholder process, ensuring the information reported using the Standards represent the needs of a wide stakeholder base. Referenced in almost 500 policies in over 80 countries, as well as regional and international instruments, the GRI Standards are adopted across the globe.

The system of the GRI Standards fully integrates the due diligence process as articulated in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and include mandatory human rights due diligence reporting. When using the GRI Standards for reporting, companies need to disclose their policies, commitments, and actions on how they manage their impacts on economies, people and the environment according to the aforementioned instruments.

Many companies are already reporting on their sustainability impacts using the GRI Standards. Various industry bodies within the extractive sector set out requirements for membership that include an obligation to use GRI for publicly disclosing their impacts. For example, members of the International Council on Mining and Metals (ICMM) are required to report in accordance with the GRI Standards. Similarly, The Responsible Jewellery Council requires its members with mining facilities to publish annual externally assured reports using the GRI Standards. Other members of the Council must review the GRI Standards for a general orientation about sustainability reporting and consider adopting key elements of the reporting requirements. The Natural Diamond Council also requires its members to report annually against the GRI Standards.

COMMENT:

To enhance alignment and harmonization, GRI recommends incorporating relevant GRI Topic Standards as part of minimum expectations for public reporting per performance area.

The mining sector faces a significant number of regulations with obligations on responsible business conduct, due diligence, and transparency. The reporting organizations and users of reported information frequently call for harmonization of data requirements, with use of global standards such as those issued by GRI offering a solution for the fragmentation of data. Information on impacts on the economy, environment and people is also critical for investors to be able to make informed investment decisions. For example, there have been multiple shareholder resolutions and also public statements from the investor community demanding publicly reported information, including with the GRI Standards.

Seeing that GRI is already a reference point for sustainability reporting in the Consolidated Mining Standard Requirement 1.2, it is recommended that CMS should explicitly reference applicable GRI Topic Standards where appropriate, for those performance areas that list public disclosure expectations (e.g., GRI 413 for Local Communities, GRI 411 for Indigenous Peoples, and GRI 306 for Waste). This would allow facilities to leverage existing global frameworks and enhance interoperability.

This approach would also align with the requirement included in Performance Area 18: Water Stewardship, which requires as leading practice to "disclose Facility-level water data in line with one of the following frameworks or equivalent frameworks:

- a. ICMM Water Reporting: Good Practice Guide
- b. MCA Water Accounting Framework
- c. GRI including the 303: Water and Effluents 2018 standard

Specific suggestions for referenced Standards can be found in the document.

Performance Area 1: Corporate Requirements

SECTION: 1.2 Sustainability Reporting, Foundational Practice, 1

COMMENT:

The foundational requirements under 1.2 Sustainability Reporting (performance area “Corporate performance”) mandates the company to “identify material sustainability risks and opportunities for inclusion in external company disclosure”, and “Publicly disclose annually a report on corporate-wide sustainability policies, practices, and performance”. GRI recommends amending the requirement to also include impacts.

Wording suggestion 1.2.1: “Identify material sustainability impacts, risks and opportunities for inclusion in external company disclosure”.

SECTION: 1.2 Sustainability Reporting, Foundational Practice, 2

COMMENT:

Wording suggestion 1.2.2: Publicly disclose annually a report on corporate-wide sustainability policies, practices, and performance corresponding to the organization’s most significant impacts.

SECTION: 1.2 Sustainability Reporting, Good Practice, 1

COMMENT:

Wording suggestion 1.2.1: Publicly disclose an annual corporate-wide sustainability report on the organization’s impacts on the environment, people, and economies in line with an internationally recognised reporting standard, such as the Global Reporting Initiative (GRI) and/or the European Sustainability Reporting Standards (ESRS).

SECTION: 1.2 Sustainability Reporting, Good Practice, 2

COMMENT:

Wording suggestion 1.2.2 [New]: Publicly disclose an annual corporate-wide report on sustainability risks and opportunities in line with an internationally recognised reporting standard, such as the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and/or the European Sustainability Reporting Standards (ESRS).

SECTION: 1.2 Sustainability Reporting, Good Practice

COMMENT:

the requirement seems to award reporting on impacts and reporting on risks and opportunities equal value, the former incorporated by the GRI Standards and the latter by the IFRS sustainability standards, by offers companies the option to choose one or the other in their sustainability reporting. As established under the first recommendation (above), these are two distinct approaches, aimed at different groups of stakeholders -the perspective of risks and opportunities only catering to investors and capital markets , meant to provide information of the sustainability-related risks and opportunities to the financial prospects of the company. The IFRS also lists the SASB Standards as sector guidance for reporting, and the SASB Mining and Metals Standard covers a narrower set of financial materiality metrics which do not address the significant impacts of the sector.

GRI Standards, on the other hand, are focused solely on the external impacts of the organization on the environment, economies, and people. The information disclosed serve the needs of wide stakeholder perspectives and interests, including those of civil society, labor, governments, and other organizations that have an interest of sustainable development and responsible business practice. This includes investors, especially institutional investors, who commonly consider longer time frames in their investments and look for information beyond risks and opportunities.

The GRI Standards are developed through a transparent multi-stakeholder process, ensuring depth and relevance of information requested. The multi-stakeholder working group developing the GRI 14: Mining Sector 2024 Standard also included three of the four organizations of the Consolidated Mining Standard Initiative and several Stakeholder Advisory Group members. It has been welcomed by many prominent international and multilateral organizations as a tool to strengthen the transparency and public reporting of impacts by mining organizations, which has been found to be lacking. The GRI Mining Sector Standard provides a globally-accepted standard that drives credibility, consistency and comparability in reporting, while providing the flexibility to focus on the impacts that matter most to each individual mining organization and operating context.

GRI reporting has also been a requirement for ICMM member companies, which under the proposed requirement 1.2.2 is becoming an optional choice, and thus would be a step back in terms of transparency for the sector.

Furthermore, since many mining companies globally will be required to comply with the EU Corporate Sustainability Reporting Directive, which mandates the application of double materiality for disclosed information (i.e. impacts of the company as well as risks and opportunities), it creates an uneven playing ground by setting higher expectations on disclosure towards companies complying with the CMS but operating in Europe. GRI thus recommends to set double materiality expectations for all companies for achieving "good practice", i.e. require reporting on impacts and risks and opportunities, supporting the preparedness of companies based in Europe and beyond to comply with the ESRS and other upcoming regulatory developments.

SECTION: 1.2 Sustainability Reporting

COMMENT:

It is commendable to see sustainability reporting as a requirement for mining companies under the CMS. However, the requirements should consist of both impact identification and reporting as well as sustainability-related risks and opportunities.

GRI Standards are in line with authoritative international instruments that stipulate due diligence expectations for businesses (e.g. the OECD Guidelines for MNEs and UN Guiding Principles). This approach is founded on identifying impacts of the organization on the outside world, as opposed to identifying sustainability risks and opportunities that might affect the value or prospects of the organization. In sustainability reporting, these are distinct lenses and require distinct processes in place to identify them.

GRI's position is that understanding an organization's impacts is a necessary first step in identifying risks and opportunities that result from those impacts. The material topics and related impacts determined with the GRI Standards therefore provide crucial input for identifying the risks and opportunities that arise from an organization's impacts. However, identifying and reporting on risks and opportunities is not necessarily sufficient to account for all -or even most -impacts an organization has on sustainable development.

Performance Area 11: Security Management

SECTION: 11.1 Security Management, Good Practice

COMMENT:

Make a reference to conflict-affected and high-risk areas and the requirement to undertake heightened human rights due diligence.

COMMENT:

Include references to heightened human rights due diligence, especially in CAHRAs.

The section is missing public disclosure requirements. Suggest to add reporting requirements under “Good practice” and reference GRI 410: Security Practices 2016

Performance Area 13: Community Impacts and Benefits

COMMENT:

The section is missing public disclosure requirements. Suggest to add reporting requirements under “Good practice” and reference GRI 413: Local Communities 2016.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

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

COMMENT:

Propose to reference GRI 101: Biodiversity 2024.

ISSB does not yet have a Standard on nature/biodiversity.

Performance Area 2: Business Integrity

SECTION: 2.2 Business Ethics and Accountability, Leading Practice, 2

COMMENT:

Propose to reference GRI 205: Anti-corruption 2016 for public disclosure.

Performance Area 20: Climate Action

SECTION: 20.1 Corporate Climate Change Strategy (Corporate Level), Good Practice, 1

COMMENT:

Suggest to add climate adaptation and transition plans, and reference upcoming GRI Climate Change Standard (to be launched early 2025).

SECTION: 20.3 Annual Climate Change Public Reporting, Good Practice, 1

COMMENT:

Propose to reference GRI 305: GHG emissions 2016 (to be replaced with the upcoming GRI Climate Change Standard, released in 2025).

SECTION: 20.3 Annual Climate Change Public Reporting, Leading Practice, 3

COMMENT:

Suggest to include disclosure of Scope 3 emissions to “Good practice”, as it is becoming a common expectation for organizations in high-impact sectors, including in GRI 14: Mining Sector 2024, the IFRS S2 Standard, ESRS, etc.

Performance Area 22: Pollution Prevention

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

COMMENT:

Propose to reference GRI 306: Waste 2020.

Performance Area 5: Human Rights

SECTION: 5.1 Human Rights, Good Practice, 6

COMMENT:

Make a reference to conflict-affected and high-risk areas and the requirement to undertake heightened human rights due diligence.

COMMENT:

Include references to heightened human rights due diligence, especially in CAHRAs.

Performance Area 6: Child Labour and Modern Slavery

SECTION: 6.1 Risk, Mitigation and Operating Performance, Good Practice, 5

COMMENT:

Propose to reference GRI 408: Child Labor 2016 and GRI 409: Forced and Compulsory Labor 2016

Performance Area 7: Rights of Workers

COMMENT:

The section is missing public disclosure requirements. Suggest to add reporting requirements under “Good practice” and reference GRI 401: Employment 2016; GRI 402: Worker/Management Relations 2016; GRI 406: Non-Discrimination 2016; GRI 407: Freedom of Association and Collective Bargaining 2016; and GRI 202: Market Presence 2016 as reference points for disclosure.

Performance Area 8: Diversity, Equity, and Inclusion

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

COMMENT:

Propose to reference GRI 405: Diversity and equal opportunity 2016

Performance Area 9: Safe, Healthy and Respectful Workplaces

SECTION: 9.4 Monitoring, Performance and Reporting, Good Practice

COMMENT:

The requirement is currently vague; propose to make it more concrete and add reference to GRI 403: Occupational Health and Safety 2018

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

The Consolidated Mining Standard (CMS) draft demonstrates a commendable commitment to responsible mining practices. However, further aligning the transparency expectations with internationally recognized reporting frameworks would enhance its credibility and utility. Integrating references to frameworks like the Global Reporting Initiative (GRI), would strengthen the standard's alignment with widely accepted expectations on transparency.

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

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