CMSI Consultation Response

Respondent Details

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

STAKEHOLDER
Investor

ORGANISATION
Rathbones Group

COMMENTS & QUESTIONS BY DOCUMENT

QUESTION 1
Overall does the revised version of the Consolidated Standard system (including Standard, Assurance Process, Governance Model* and Claims Policy) meet your expectations for improvement relative to the original public consultation version?
Response: 2: Below expectations

See detailed feedback

QUESTION 2
From your perspective, does the updated Consolidated Standard system, including Standard, Assurance Process, Governance Model* and Claims Policy meet expectations for driving performance improvement across the industry at a global scale?
Response: 2: Below expectations

See detailed feedback

Document:
Assurance

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3. Who Can Conduct External Assurance?

SECTION: 3.1 Assurance Provider Requirements

COMMENT:

The fact that the facility could use assurance providers from the same firm without a limit is concerning. There should be a requirement to run a retendering process that is open to multiple companies, after e.g. 6 cycles. This would be comparable to best practices relating to auditor tenure for financial auditors.

COMMENT:

There is no requirement for the size of the assurance team - while we recognise the need to be flexible to allow for many different factors that may influence the size of team required, there should perhaps be some sort of minimum requirement for size of team or use of SMEs below a certain size of team. Is it feasible that one person can have sufficient subject matter expertise to assess all 24 performance areas, alone?

SECTION: 3.2 Consolidated Standard Training, 3.2.1 Assurance Provider Training Program

COMMENT:

It is unclear whether this training is required to become an approved assurance provider - it should be.

QUESTION 1
From your perspective, does the Assurance Process meet your expectations of a robust, credible, replicable and transparent approach?
Response: 2: Below expectations

The governance model is arguably the most important part of the CMSI and so, we are disappointed that it was not re-opened for consultation. We are concerned that National Panels could end up watering down the standard in their geographies - safeguards are needed against this.

> Document:
> # Standard

General comment on Performance Area

COMMENT:

Like the asset specific applicability

COMMENT:

Management systems and training all make sense.

COMMENT:

Public disclosure of issues very important to credibility of the highest levels of attainment

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COMMENT:

What is the definition of unavoidable? Is there an accepted wording?

COMMENT:

On targets - inline with local best practice?

COMMENT:

More mention of external audit / facilitation would be good in leading practice.

COMMENT:

Good to see the link to access to remedy

COMMENT:

Good reference to world heritage sites

Performance Area 01: Corporate Requirements

COMMENT:

The benefit of linking pay to ESG performance really isn't clear; leading practice should only be where the programme is well designed and where opportunities are at risk for poor performance, not just an additional opportunity to earn more.

Performance Area 03: Responsible Supply Chains

COMMENT:

Feels like an extended good practice. Best or leading practice should have stronger language about requirements on key partners.

Performance Area 04: New Projects, Expansions and Resettlement

SECTION: 4.1 Environmental and Social Impact Assessments, Towards Good Practice, 1

COMMENT:

Devil is in the detail - what does exhausted mean in 4.2? There is surely a spectrum of economic feasibility to consider.

Performance Area 05: Human Rights

SECTION: 5.1 Human Rights, Good Practice, 1

COMMENT:

Need to actively create a safe environment for human rights defenders to act in.

SECTION: 5.1 Human Rights, Towards Good Practice, 1

COMMENT:

The UNGP asks for corporate level human rights policies that are endorsed by the Board; the requirement does not specify this. There are concerns that any facility-level human rights policy could just be window-dressing and not adopted if not set at corporate level.

COMMENT:

Generally very supportive of the UNGP lead approach

Performance Area 06: Child and Forced Labour

SECTION: 6.1 Prevention of Child and Forced Labour, Towards Good Practice, 8

COMMENT:

8 doesn't make sense - "act immediately to cease any immediate harm" - you would talk more about acting to cease exposure to the risk of harm or risk to safety

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Performance Area 07: Rights of Workers

SECTION: 7.1 Rights of Workers, Good Practice, 6

COMMENT:

What does "consider" specific needs of women - this is far too vague - some parameters need to be put around what level of consideration is given and what the follow-on actions must be.

SECTION: 7.1 Rights of Workers

COMMENT:

Hard to make a standard that states fairness without reference - paying a fair wage shouldn't be leading but basic practice.

Performance Area 09: Safe, Healthy and Respectful Workplaces

SECTION: 9.1 Health and Safety Management, Towards Good Practice, 6

COMMENT:

Good to see contractors mentioned here

SECTION: 9.4 Monitoring, Performance and Reporting, Good Practice, 5

COMMENT:

Interesting that zero fatalities first mentioned here - should it be mentioned earlier as a core aim for everyone, achievement of it would be evidence o leading practice?>

SECTION: 9.4 Monitoring, Performance and Reporting, Towards Good Practice

COMMENT:

does 'workers' include contractors?

Performance Area 12: Engagement

SECTION: 12.1 Engagement, Leading Practice

COMMENT:

Be clearer about the frequency expected of these leading behaviours.

Performance Area 14: Indigenous Peoples

SECTION: 14.1 Indigenous Peoples, Towards Good Practice, 5

COMMENT:

FPIC is spoken about as only a process but not also as an outcome - CMSI should specify that FPIC needs to be attained as an outcome and facilities should not be allowed to progress with their projects without it. Benefits sharing should be offered on top of attaining FPIC, and not instead of it. FPIC should be obtained again after material changes are made - the current standard does not require an iterative consent practice when material changes occur in the project.

SECTION: Glossary and Interpretive Guidance

COMMENT:

Definition of Indigenous Peoples - Lack of opposition should not be taken to mean FPIC has been achieved, or be taken as a sign of support.

Performance Area 17: Grievance Management

SECTION: Glossary and Interpretive Guidance

COMMENT:

The definition of "remedy" could be clearer; it should not include the word "remedy"

Performance Area 18: Water Stewardship

SECTION: 18.2 Collaborative Watershed Management, Leading Practice, 2

COMMENT:

This doesn't quite make sense: "Make available to other water users' data and information to inform how operational practices relate to development of IWRM and engage in collective action." Perhaps a comma is required after "water users", instead of an apostrophe.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

COMMENT:

We are supportive of the alignment with the TNFD

Performance Area 20: Climate Action

COMMENT:

This seems like a lower bar than the equivalent level for other performance areas, e.g. Tailings Management. If the requirement is just to have a Scope 1 commitment, then it should be more rigorous, e.g. there should be a specific target which is 3rd party approved, or the facility should have a credible plan to achieve it etc.

Performance Area 22: Pollution Prevention

SECTION: 22.6 Accidental Polluting Releases

COMMENT:

This needs to include a requirement regarding what to do if an accidental polluting release occurs.

QUESTION 1
Does the scope, content, and narrative style of the consolidated standard meet your individual expectations for responsible production practices?
Response: 2: Below expectations

ICMM's Mining Principles had more explicit language on gender diversity in leadership and workforce; we are not sure why these have been diluted, when the CMSI was looking to bring together standards, including the ICMM's Mining Principles. The lack of a requirement for attaining FPIC before progressing with a project is also particularly concerning.

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

Whilst we appreciate the tension between specificity and broad applicability, and that the CMSI s trying to cover a wide range of operations, overall the Standard is not detailed enough in key areas related to the sector's licence to operate. Vague terms are used e.g. "consider" and definitions often include the word they are supposed to be defining. Length is not the most important or only indication of detail but the difference between the length of this standard vs. IRMA (which is 600 pages long) is stark and telling.

QUESTION 3
From your perspective, does the three-level performance structure (Towards Good Practice, Good Practice, Leading Practice) 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: 2: Below expectations

Stronger incentives and a more structured path are needed to encourage facilities to move towards leading practice e.g. to incentivise facilities to attain it, you could include it in aggregate scores.

Document:
Claims

3. Claims

SECTION: 3.1 Types of Claims, 3.1.1 Public Commitment to Participate

COMMENT:

We are supportive of the fact that just committing to participate does not allow for use of the CMSI logo etc.

SECTION: 3.1 Types of Claims, 3.1.2 Assured Claim

COMMENT:

We are supportive of the need to demonstrate performance improvement through each assurance cycle

SECTION: 3.2 Self

COMMENT:

We are supportive of the requirement for self-assessed reports to be published between assurance provider assessments, as it will encourage continuous improvement.

4. Monitoring and Enforcement

SECTION: General Comment

COMMENT:

It would be good to understand more about how and how often the CMSI will monitor claims

QUESTION 1
Does the level of transparency provided by the Claims Policy (i.e. through disclosing scores for each Performance Area, aggregated scores to indicate overall progress towards Good Practice, and Performance Claims) meet your expectations to incentivise continuous performance improvement?
Response: 3: Meets expectations