

CMSI Consultation Response

Respondent Details

NAME

Duncan Pettit

COUNTRY

United Kingdom

PERMISSION

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

STAKEHOLDER

Industry (upstream)

ORGANISATION

Barrick

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: 3: Meets expectations

This is below a 2 and 3 in reality. I think the standard is well structured, and although some refinements are still plausible in both language and placement of performance level, the Claims Policy currently undermines the system in its current form. I believe there is strong improvement across Standard, Assurance and Governance, but lack of progress in Claims in its current form.

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

Ultimately the claim needs more work as this is the communication piece that is lacking that enables the performance to be improved through time as an incentive.

Document:
Assurance

2. Roles and Responsibilities

SECTION: A. Facilities and their Parent Companies

COMMENT:

While I appreciate the intent behind this notice, any formal number of days should be a guidance rather than prescriptive. I would suggest 'at least 30 days'

QUESTION 1

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

Response: 3: Meets expectations

Document:
Standard

QUESTION 1

Does the scope, content, and narrative style of the consolidated standard meet your individual expectations 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: 3: Meets expectations

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: 3: Meets expectations

This is caveated, however, by the comments in the Claims Policy. The structure needs to be matched with the policy to communicate and incentivize performance.

Document:
Claims

3. Claims

SECTION: General Comment

COMMENT:

The Assurance Claim and Performance Claim have inadvertent consequences that will hinder the objectives of the CMSI. The lack of progression threshold 'performance claims' lacks an incentive for companies to join until they are confident of reaching the current Performance Claim level. This risks industry wide uptake of the standard, and with it risks continual improvement by assets outside of the partner organisations. Only relying on a % aggregate, especially when assets are only beginning their journey with a low %, will result in hesitation in adopting the standards publicly, communicating performance and gaps transparently, and ultimately create another standard for only the majors. There needs to be better communication 'incentives' for onramping, and continuous improvement thereafter.

Regarding the Performance Claim, the 80% threshold seems arbitrary. This needs to be benchmarked against existing standards from the partner organisations to understand what the threshold should be. Secondly, the jump from 80% (with a claim) to 100% in 1 assurance cycle seems excessive and unrealistic or unachievable. Especially when considering that the standard will be updated through time and the 80%-100% will in reality be more ambitious. Lastly, 100% requirement is not reflective of reality whereby there may be a small number, or even single, performance area that is not achieved. The risk of 'losing" a claim when moving from 80% to

100% has the unintended consequence of dis-incentivising companies from making the claim at 80%. This is a flaw in the logic.

Lastly, there is zero incentive in the current policy to go beyond Good Practice and implement Leading Practice performance areas. This questions the applicability of the Leading Practice performance areas.

To summarise, the whole system of incentivisation through the process needs further work to ensure that the objectives of the CMSI are met: that is industry wide adoption and on ramping, and constant improvement through time. This is only achieved if the business case (value to the business) is evident. The claims structure has more inadvertent disincentives

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: 2: Below expectations