

CMSI Consultation Response

Respondent Details

NAME

Jeff Geipel

COUNTRY

Canada

PERMISSION

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

STAKEHOLDER

Non-governmental organisation (NGO) / civil society organization (CSO)

ORGANISATION

Engineers Without Borders Canada

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: No Response

It would not be fair for us to answer this as admittedly we have not had the bandwidth to examine the entire standard. That said, from what we have seen from our areas of focus, we are optimistic.

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: No Response

It would not be fair for us to answer this as admittedly we have not had the bandwidth to examine the entire standard. That said, from what we have seen from our areas of focus, we are optimistic.

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

Performance Area 01: Corporate Requirements

SECTION: 1.3 Transparency of Mineral Revenues

COMMENT:

The section on Transparency of Minerals Revenues has been greatly improved with the addition of project-level payments at the Towards Good Practice level, among other changes. As a long time member of the Publish What You Pay coalition (now Resource Justice Network), the Mining Shared Value programme of Engineers Without Borders Canada is fully supportive of the goals and requirements of the EITI - even in non-EITI countries, and so these changes are highly welcome.

Performance Area 13: Community Impacts and Benefits

SECTION: 13.2 Community Development and Benefits, Good Practice, 4

COMMENT:

There have been significant improvements made to the Community Development and Benefits section of Performance Area 13 which we welcome highly. At the Good Practice Level:

For Item 4, the change of the wording from local procurement “programmes” to “plan” is essential and ensures companies do not meet “Good Practices” with one or two ad hoc programmes. It being a “plan” ensures there are roles and responsibilities assigned, targets, and accountability. It also ensures auditability whereas “programmes” could mean just about anything would qualify. We had advocated for a local procurement “policy” but we are satisfied that “plan” achieves the same effect.

SECTION: 13.2 Community Development and Benefits, Good Practice, 6

COMMENT:

Item 6 of the Community Development and Benefits Section of Performance Area 13 has also been significantly improved, regarding local procurement by contractors and suppliers. The addition of “through the use of selection criteria and other similar incentives” ensures that meaningful measures are put in place to encourage suppliers and contractors to do their own local procurement and hiring, and again, allows for auditability. Before, “Encourage the Facility’s contractors and suppliers to increase local procurement and employment” was far too loose and companies could claim to meet this requirement just by occasionally verbally encouraging suppliers to do their local procurement, without any kind of incentive or teeth.

SECTION: 13.2 Community Development and Benefits, Good Practice, 7

COMMENT:

Item 7 of the Community Development and Benefits Section of Performance Area 13 has also been significantly improved with the addition of “in alignment with community-defined priorities” and the second sentence, “Objectives and targets should consider women, vulnerable and underrepresented groups where appropriate.” The explicit inclusion of community goals ensures co-management of the issue with the host community, and adding “women, vulnerable and underrepresented groups where appropriate” matches the spirit of other comments we put in on the first draft ensuring that suppliers should be categorised by more than just two categories.

COMMENT:

Overall we are mostly satisfied that by including the idea of measuring against different types of suppliers and employees in Item 7 of the Good Practice level of the section on Community Development and Benefits, that companies will indeed create multiple categories of suppliers and employees - not just the bare minimum

of national and international. However, we still feel it would remove ambiguity and ensure standard-users gradually refine their measurement - and in turn performance for both local procurement and hiring - if the idea of categories was explicitly included in the provision. Potential language could be:

“Publicly disclose relevant information related to community development contribution, local procurement and local employment at the Facility level, including statistics across different categories of suppliers and employees.”

SECTION: 13.2 Community Development and Benefits, Good Practice, 9

COMMENT:

The Mining Shared Value programme of Engineers Without Borders Canada is highly supportive of the significant improvements to Section 13.2 Community Development and Benefits, of Performance Area 13. For over a decade we have worked to encourage and support the global mining sector to create more economic and social benefits by increasing local procurement by the mining sector, working with all parts of global mining system.

The changes made since the first public draft have moved the local procurement-related requirements from somewhat ad hoc and non-auditable actions that do not meaningfully drive performance, to a set of processes that - with proper auditing and accountability systems - ensure that local procurement will be managed better. Local procurement “programmes” that could mean just about anything have been replaced with a requirement for a “plan” which ensures accountability. Likewise, the “encouragement” of suppliers and contractors to do their own local procurement and hiring has now been upgraded to explicitly mention incentives and selection criteria - turning something non-auditable to a practice that can be properly assessed. Finally, adding the use of systems like the GRI, Mining LPRM and the ICMM’s Social and Economic Reporting Framework at the Leading Practice level has cemented this overall shift from ad hoc efforts to robust management of local procurement, by requiring the use of truly holistic management systems that drive performance.

While we still think “categories” of suppliers and employees should be explicitly added to Requirement #9 of the Good Practice Level, overall we are very pleased with the improvements that have been made, and we can confidently state that civil society partners such as the Natural Resource Governance Institute and Oxfam, with whom we have engaged with during this consultation process, will also be supportive.

We are grateful for the opportunity to contribute to this standard and are appreciative that our insights have been valued, along with those of civil society partners.

SECTION: 13.2 Community Development and Benefits, Leading Practice, 2

COMMENT:

This provision on capacity-building has been enhanced by included the idea of engaging “local and Indigenous businesses, or their representative bodies.”

It is ideal that business associations who represent suppliers has been added here, as the long-term success and sustainability of supplier development requires that local organisations take part and have ownership over the outcomes.

SECTION: 13.2 Community Development and Benefits, Leading Practice, 6

COMMENT:

The entire “Community Development and Benefits” section of Performance Area 13 has been greatly improved with the addition of this new item, which ensures measurement and reporting on the outcomes of host country impacts is robust by providing the GRI, LPRM and ICMM Social and Economic Reporting Framework as examples of what should be used. Without this, technically companies could claim to meet the need of “Leading Practice” by providing a very small number of statistics, and true leading practice absolutely requires that a

holistic framework is used so that it drives performance, such as one of these three frameworks. This also ensures auditability which is crucial.

Performance Area 14: Indigenous Peoples

SECTION: 14.1 Indigenous Peoples, Good Practice, 6

COMMENT:

This section on agreements with affected Indigenous Peoples has been greatly improved in a number of ways. While we are not an expert on FPIC and suggest further consultation with relevant NGOs working in this topic, in terms of our focus area of local procurement, we are pleased to see that the requirements have been changed so they do not imply that doing a good job on local procurement is a substitute for making agreements with Indigenous communities.

Performance Area 20: Climate Action

SECTION: 20.2. Climate Change Management (Facility Level), Leading Practice, 2

COMMENT:

The Facility Level Climate Change Management section has been greatly improved with this addition of a requirement at the Leading Practice level to explicitly engage with suppliers to collaborate on reducing Scope 3 emissions, given the high level of emissions associated with procurement of goods and services (especially for precious metals). It is also highly welcome to see the idea of setting goals for Scope 3 emissions "without compromising local procurement objectives" as there is a real tension that mining companies need to address. It is not feasible for Scope 3 emissions reductions to come at the expense of host community and country suppliers, and so it is vital that they are approached in alignment with local procurement objectives.

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

Generally yes though it will be important to see what the assurance guidance will look like in terms of the evidence assurance providers will seek to verify performance for each requirement. We understand it does not make sense to provide too much detail in the standard itself, but the types of evidence in assurance guidance will be crucial for ensuring companies meaningfully meet each requirement, rather than be able to take one or two isolated actions. For example, we advocated that at the Good Practice level, for the issue of local procurement, that mining companies should have to have a website section for suppliers. We understand this level of detail may not be appropriate for the standard itself, but the assurance guidance could be where this could be in effect, required, by having a website section be one of the pieces of evidence that assurers look for.

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

Generally speaking yes, though it will be important for the four participating CMSI organisations to put in place requirements and systems for companies to make continuous improvement, and to prevent companies from dropping leading practices they have already put in place through their existing use of one or more of the four systems (e.g. TSM, RGMPs). Also, like TSM gradually moved requirements from higher levels of the system to lower ones, to gradually raise the floor on performance, there should be a plan to do the same with future updates of the CMS.

Document:
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: No Response