

CMSI Consultation Response

Respondent Details

NAME

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COUNTRY

South Africa

PERMISSION

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

STAKEHOLDER

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

ORGANISATION

Minerals Council of South Africa

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

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: 3: Meets expectations

Document:
Assurance

4. Consolidated Standard External Assurance Process

SECTION: 4.5 Reporting

COMMENT:

Whereas the Minerals Council supports independent third-party assurance to strengthen accountability and credibility mechanism, the proposed assurance architecture; however, can unintentionally raise the degree of verification cost, especially amongst multi-site operators who are already subject to strict certification regimes. The Council suggests flexibility in the frequency of the assurance cycles - that can be long in case of established operations that have proven their performance and explicit in terms of integrated or combined audits that are carried out under similar schemes (e.g. ISO).

In addition, the rating of the aggregate 80 per cent performance score of the claims made by the public should be effective with clear guidance to avoid misinterpretation. Transparency should be moderated with contextual disclosure where the published performance scores should be accompanied with explanatory narratives which portrays the progress and constraints accurately to avoid distortion of reputation.

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

General comment on Performance Area

COMMENT:

The Minerals Council South Africa is cognizant of the desire of the CMSI Consolidated Standard to facilitate the attainment of global performance enhancement within the mining value chain. However, the Council observes that the extent and intensiveness of the 24 Performance Areas, and its 48 sub-sections, brings with it a degree of complexity and administrative intensity that may considerably impact on the viability of implementation,

especially when it comes to small and medium-sized enterprises (SMEs) run within a developing economy. Additionally, the Standard contemplates that implementation be at the facility level, which will require each facility to assess and review its current policies and practices for alignment and compliance. The Standard contemplates implementation at the facility level, which aligns with global leading practice in responsible mining standards. Facility level reporting ensures transparency and accountability where impacts occur, supports performance differentiation, and meets investor and stakeholder expectations for granular, verifiable data. While this approach may increase administrative and assurance costs, particularly for SMEs, the long-term benefits include enhanced trust, improved operational performance, and global comparability that outweigh these challenges. Corporate-level summaries can complement site-level disclosures but should not replace them. To address cost concerns, the Council recommends phased implementation and scalable assurance cycles for smaller operators.

Although the Standard is intended to be used internationally, the Council points out that capability, resource base and regulatory atmosphere of mining activity are highly diverse. As in much of the African continent, in South Africa, the mining industry comprises a wide variety of stakeholders both large, multinational with advanced management structures and small, middle-ranking and junior operators who may not necessarily have the same technical and financial power.

In keeping with fair and substantial adoption, the Minerals Council suggests that the CMSI should present a relative and scalable plan of execution. Such a model should:

- Permit incremental conformance starting with Towards Good Practice level, to Good and Leading Practice in a series of assurance cycles;*
- Offer obvious equivalence pathways that identify recognised management systems (e.g., ISO 14001, ISO 45001, ICMM Mining Principles, and IRMA); and*
- Add specific advice on SMEs, with risk-based implementation and support of building capacity.*

The Council also cautions that the broad and prescriptive requirements, if not aligned with local regulatory frameworks, can place significant operational and financial burdens on companies, especially in developing regions. These provisions must not compromise local economic viability.

Absence of such flexibility means that the Standard might turn inadvertently to be exclusionary, only open to well-capitalised, multinational companies, and hence the purported purpose of the CMSI of widespread adoption and performance enhancement at scale is compromised.

COMMENT:

The Minerals Council has a positive expectation of the full glossary that would come with the Consolidated Standard but there are a few major terms, including rights-holders, affected stakeholders, local, and Indigenous Peoples, which vary in meaning depending on the jurisdiction. The legal and socio-cultural frameworks of South Africa do not always align themselves in the terms with the other parts of the world. The Council hence invites the CMSI to offer context sensitive interpretive advice that works within regional differences in the law, government, and societal organization.

To illustrate, whereas the concept of Indigenous Peoples is acknowledged within the framework of international law, most African populations are characterised rather by customary, tribal or traditional systems of authority. Similarly, the concept of community must be linked to the statutory meanings of the term employed in South Africa in the Mineral and Petroleum Resources Development Act and the social-labour schemes on the matter. The increased degree of terminological clarity will contribute to legal confidence, prevent the duplication of the engagement processes, and guarantee the coherent implementation within the existing regimes in the countries.

COMMENT:

The Minerals Council understands that to retain the social licence, sustainable interaction with stakeholders and rights-holders is inevitable. The articulation of Leading Practice expectations by CMSI however, can push the boundaries of corporate accountability to impractical extremes, having the potential to confuse between consultation and delegated decisionmaking. The Council suggests that the Standard be clarified by stating that although progressive cooperation is preferable, the final decision-making of the operational and safety should stay with the company. Engagement models must be based on transparency, accessibility and responsiveness at a size relative to the scale and magnitude of the operation. The Minerals Council urges CMSI to identify known participatory structures including Social and Labour Plans and community consultative forums as legitimate tools of attaining the engagement objectives.

COMMENT:

The draft Standard provides that in case of a difference; a facility must use the requirement that is more stringent law or Standard. Practically, this may lead to a legal conflict in which adherence to one may be a violation of the legal requirements. The Minerals Council suggests a more subtle approach: the facility needs to meet the requirements of the relevant national law and, where possible, attempt to conform to the purpose of the Standard without violating the requirements of the legal obligations. The Council further notes that by requiring operations to comply with obligations that exceed domestic law, the Standard may increase potential legal

liability and risk of sanctions, particularly where non-compliance is unintentional or stems from actions of third-party contractors. It is critical that companies are not held accountable for external parties' failures beyond current legal obligations.

This would maintain the domestic legal sovereignty integrity and make persistence of improvement in line with the international best practice. The Council further recommends the CMSI to state clearly their recognition of the primacy of the host-country regulatory power in the land use, environmental permitting and labour relations.

COMMENT:

To gain wide application throughout the mining sector in the world, the Standard needs to reflect the principle of proportionality, where the expectations should be related to the extent of a particular operation, its risk profile, and impact. MCSA advises CMSI to incorporate a riskbased approach that distinguishes between large and complex projects with a massive supply chain and the small project or single commodity with limited external footprint. The Council notes that the current one-size-fits-all approach assumes that all operations operate in the same internal and external environment, which is not the case. The Standard must therefore

allow adaptability to site-specific conditions to avoid limiting operational flexibility or responsiveness.

COMMENT:

The Minerals Council highlights the need to incorporate regional sustainability concerns in the Consolidated Standard to make it global. In South African and general sub-Saharan setting, the major considerations are:

- *Just Energy Transition balancing decarbonization with job preservation*
- *Chronic water shortage and catchment in semi-arid areas; and*
- *The focus on local economic growth, skills development, and community resilience for sustained social acceptance.*

The CMSI is urged to engage the local industry associations, governments and research institutions to come up with guidance notes on implementation that consider these realities of contexts. This would see the Standard not only aligning to the international standards but also support the local development agenda as per the UN Sustainable Development Goals.

COMMENT:

The Minerals Council strongly endorses the CMSI's commitment to continuous improvement as the cornerstone of its theory of change. However, the mechanisms for tracking, verifying, and communicating progress require further elaboration. The Standard should clarify how improvement plans will be evaluated between assurance cycles, the criteria for determining partial conformance, and how progress will be publicly reported.

COMMENT:

CMSI's draft introduces two critical pillars: Safe, Healthy and Respectful Workplaces and Emergency Preparedness and Response, which align with global best practices but require contextualization for South Africa. To ensure effective implementation, CMSI should recognize equivalence with existing frameworks such as the Mine Health and Safety Act, ISO 45001, and the Disaster Management Act, integrating statutory obligations for emergency drills, health surveillance, and reporting to avoid duplication. Psychological safety and mental health provisions must be adapted to local realities and supported by MOSH (Mining Industry Occupational Safety & Health) initiatives and Minerals Council protocols, with phased implementation for smaller operators to manage resource constraints.

Emergency preparedness should include facility-level crisis plans, drills, and coordination with municipal and community structures to ensure legal compliance and operational efficiency. Proportionality is key as advanced industrial hygiene programs and independent reviews may challenge SMEs (Small & Medium-sized Enterprises), so tiered implementation and recognition of national standards as Good Practice are recommended, with progressive steps toward Leading Practice. Continuous improvement should combine narrative-based reporting with quantitative indicators to reflect progress and contextual challenges. This approach will reduce compliance burden, enhance credibility, and drive meaningful safety improvements without compromising global standards.

Performance Area 01: Corporate Requirements

COMMENT:

The Council promotes the reinforcement of corporate governance, ethical responsibility, and transparency in the mining industry. It however warns that some of the measures that are given out can unintentionally surpass

the administrative and financial ability of small and mid-tier companies. The requirement to have sustainability committees at the Board level and the use of third-party assurance of all the material sustainability matters, though good in theory, may place an unfair burden on smaller operators.

In South Africa, sustainability reporting must deal with many already established assurance mechanisms, be it integrated reporting on financial position, an external audit, or an ISOcertified management system. As Minerals Council South Africa, suggests, to avoid duplication and to be inclusive a proportionate and risk-based assurance framework should be adopted by the CMSI and calibrated based on the size of the company, its level of complexity in its operations and its exposure to material risk.

Performance Area 02: Business Integrity

COMMENT:

The Council fully complies with the Standard lawful conduct, anti-corruption and ethical business practices. However, CMSI must also consider the fact that compliance may be problematic on some occasions due to disparities in regulations or ambiguity in legislations despite the good intentions by operators.

An interesting case study is how historical classification of mineral residue deposits as waste under the Waste Act of South Africa, in South Africa, is an interpretation of the regulation that was subsequently amended by the government after consultation with the industry. In situations like this, firms that have been transparent and positive towards the regulators should not be punished on technical non-conformity. The Minerals Council thus suggests that the CMSI should include a principle of transitional flexibility, to acknowledge good-faith compliance activities in which the inconsistencies in the legislation are in the pipeline of being addressed.

Performance Area 06: Child and Forced Labour

COMMENT:

The Minerals Council restates its categorical rejection of any type of child and forced labour and underlines its policy in favour of safeguarding the young workers against risky working conditions. Nonetheless, this Performance Area has little to apply to the South African context where the legal tools are solidly developed, like the Basic Conditions of Employment Act and the Children Act that specifically disallow the practices and are well implemented.

By this, Minerals Council suggests that the Standard should clearly acknowledge jurisdictions that have mature and enforceable labour protection as automatically compliant in this regard with the demands of this area, so that regulatory attention is paid to those areas where gaps in governance remain.

Performance Area 07: Rights of Workers

COMMENT:

The Minerals Council and its members are fully committed to the rights of workers as outlined in this Performance Area. The South African context, however, is governed by a robust legislative framework that already mandates and enforces these principles. The Labour Relations Act (LRA), together with the Constitution of South Africa, provides extensive protection for fundamental labour rights, including freedom of association and the right to collective bargaining. Workers are informed of their right to form or join a union without fear of retaliation. In alignment with these principles, Minerals Council members formally recognise registered trade unions who meet the necessary requirements and ensure that elected worker representatives can effectively carry out their duties.

The mining industry is highly unionised, and employee remuneration is primarily determined through collective bargaining processes. These negotiated wage agreements are competitive within the local market context, reflecting both industry standards and socio-economic considerations. Beyond statutory obligations, Minerals Council members typically offer a comprehensive suite of benefits, with many companies extending additional financial assistance through various allowances incorporated into remuneration packages. This holistic approach underscores the sector's commitment to employee well-being.

Furthermore, Minerals Council members maintain structured grievance procedures embedded in organisational policies to ensure fair and transparent dispute resolution. Should internal processes fail to resolve a dispute, the LRA provides an additional avenue through the Commission for Conciliation, Mediation and Arbitration (CCMA), offering a neutral and accessible platform for dispute resolution. The Council therefore suggests that compliance with the South African LRA and related labour statutes be recognized as fulfilling the core requirements of this Performance Area.

Performance Area 13: Community Impacts and Benefits

COMMENT:

The Mineral Council emphasizes the community development and common social-economic value that the Standard focuses on. However, it should be put into practice in accordance with national legal and policy tools, especially, the provisions of the Social and Labour Plan (SLP) of South Africa Mineral and Petroleum Resources Development Act (MPRDA).

The mining companies in South Africa have already a significant role to play in the local development in terms of statutory obliged SLPs, community investment programmes, local employment and fiscal transfer in terms of taxes and royalties. Moreover, remnants of the traditional migrant labour system are still felt in the labour mobility, settlement and community relations. The Council thus suggest CMSI to contextualise community performance expectations to historical and structural realities to ensure that assessment criteria are fair, practical and contextualised.

Performance Area 14: Indigenous Peoples

COMMENT:

The Council supports the concept of Free, Prior, and Informed Consent (FPIC) as one of the central regulations to protect the Indigenous rights and cultural heritage. But, according to the South African law, the mineral rights belong to the State, and, in this case, firms are expected to engage the affected communities in meaningful consultation instead of obtaining their formal consent.

It would therefore be legally inconsistent and operationally impracticable to impose an FPIC model which specifies a community veto. The Minerals Council advises the CMSI to identify meaningful consultation processes, which are obligatory under the national law, as functionally equivalent to FPIC, when these are conducted in an open, inclusive, and honest manner.

Performance Area 16: Artisanal and Small-Scale Mining

COMMENT:

The Minerals Council endorses the advancement of legal, safe and formalised ASM practices. Most ASM activities in South Africa though are informal or illegal and are usually associated with organised criminal networks which engage in stealing, smuggling and committing violence. The obligation to promote or deal with

such operators would put companies at a great risk, both legally and reputational. The Council further emphasises that supporting small-scale mining may introduce significant financial, reputational, and operational risks. Mining companies may be required to invest in compliance infrastructure, incur liability for third-party misconduct, or face stakeholder opposition if ASM support is mishandled. The Standard should thus limit corporate involvement to validated, government-approved ASM projects and recognise that companies should only provide support where it will not compromise their own sustainability and compliance.

Performance Area 18: Water Stewardship

COMMENT:

The presence of water stewardship as a specialised Performance Area is praised by Minerals Council because of the recognition of water as a national strategic and shared resource. Given South Africa's scarce water resources and climate challenges, integrated water management is essential for both environmental protection and social well-being. The alignment with the frameworks, which the Council supports, includes the ICMM Water Stewardship Framework and the South African National Water Act. Some of the Good and Leading Practice expectations, however, especially those concerning catchment-level participation and the continuous disclosure may be beyond the abilities of smaller operators.

However, mining companies generally manage water at the facility level rather than at the broader catchment level. The Council therefore proposes that broader catchment participation be reflected under Good or Leading Practice, not as a foundational requirement. In South Africa, facilities work under the oversight of Catchment Management Agencies and the Department of Water and Sanitation, supporting them through participation in their forums rather than assuming their custodial roles. Moreover, disclosure of water use should focus on primary water activities, sources, and discharges only, as full licence disclosures are excessively detailed and impractical.

Performance Area 19: Biodiversity, Ecosystem Services and Nature

COMMENT:

The Council commends the CMSI on the holistic biodiversity strategy that can be integrated with the models of nature-related financial disclosures like the Global Biodiversity Framework (GBF) and the Taskforce on Nature-related Financial Disclosures (TNFD). However, the Council recommends that responsibility for biodiversity management be assigned at group or corporate level, with environmental managers supporting implementation, rather than requiring dedicated accountable persons at each facility.

Moreover, the introduction of the mitigation hierarchy and the net-positive goals are conceptually effective and visionary. But South Africa already has a wholesome regulatory regime - the National Environmental Management: Biodiversity Act (NEMBA) and support policies that are managed by the South African National Biodiversity Institute (SANBI). The CMSI thus ought to identify national equivalence arrangements and support methodologies of offset that have been tested locally. The pursuit of tangible biodiversity gains ought to be approached as a progressive aspiration, involving multi-sector collaboration, rather than a strict compliance requirement. Although it supports ecosystem services valuation, the Minerals Council warns against prescriptive measures to quantify services which might not be consistent with the ecological or data reality in a wide range of biomes.

Performance Area 20: Climate Action

COMMENT:

The Minerals Council acknowledges the climate change as one of the global challenges that have defined the world and the importance of the mining sector to the mitigation and adaptation. Creation of a special Climate Action Performance Area is thus a positive welcome. But some CMSI-related requirements, e.g., obligatory corporate GHG target-setting or standardized disclosure procedures, might be inconsistent with the current national procedures, i.e., the Carbon Tax Act, the National Greenhouse Gas Reporting Regulations and the Just Energy Transition (JET) strategy. The Minerals Council suggests that adherence to such national legislated regimes should be identified as Good Practice. Moreover, the Council recommends that non-energy greenhouse gas emissions, which are difficult to measure in older underground mines, be excluded from mandatory reporting, and that climate risk assessments be focused on high-risk areas only. The Standard should also recognise national frameworks such as South Africa's Carbon Tax Act and GHG Reporting Regulations

as equivalent Good Practice. Voluntary leadership rather than a compulsion to participate in global initiatives, including science-based target-setting or low-carbon technology pilots, should be promoted. The response to climate action should also be understood in the light of developing economies where decarbonisation should not be the only priority without considering socio-economic needs including job security and community sustainability.

Performance Area 21: Tailings Management

COMMENT:

The Council advises that tailings management requirements should not prescribe one particular framework but rather recognise adherence to established best-practice codes, such as SANS 10286, which already govern the management of residue stockpiles and deposits in South Africa. The Standard should remain flexible and respect national system complexities.

Performance Area 22: Pollution Prevention

COMMENT:

The Council proposes that certain requirements, such as those on noise, vibration, or light pollution, be applied only to open-cast operations. In underground gold mining, these impacts are not materially significant and should be exempted.

Performance Area 23: Circular Economy

COMMENT:

The Minerals Council endorses how the Standard promotes the principles of a circular economy that include increased resource efficiency, reduced wastage, and the ability to recycle materials. Nevertheless, the South African mining activities are mainly extraction based and they lack control over downstream beneficiation and smelting. The CMSI must, then, explain that the requirements relating to the recovery of Secondary material or symbiosis in the industry are only applicable where they are operationally relevant. In extraction-only mines, the circularity must be aimed at operational efficiency, tailings reprocessing, and waste minimisation, according to the goals of the South African National Waste Management Strategy (2020). Additionally, it is advised that the CMSI should facilitate the formation of joint circularity ecosystems with suppliers, recyclers, and downstream manufacturers instead of laying the sole blame on the mining companies.

Performance Area 24: Closure

COMMENT:

The Minerals Council applauds the CMSI on its inclusion of closure as a lifecycle consideration, which is in line with the Mine Closure Guidelines (GN 275 of 2022) and the Financial Provisioning Regulations (2015, amended). The emphasis on the gradual rehabilitation and the involvement of stakeholders is embraced. Nevertheless, the hopes of making net-positive post-mining land effects may not invariably be fulfilled, considering heritage liabilities, land tenure intricacies and socio-economic realisation. The CMSI ought to then note the legally endorsed closure and rehabilitation plans as Good Practice, and establish social closure, or sustainable transfer of mining-reliant communities, as the collective multi-stakeholder duty between government, industry, and civil society.

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: 2: Below 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

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: 3: Meets expectations