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# Responsible Sourcing of Base Metals – Latest Developments

April 2024

## Recent trends related to responsible sourcing of base metals



## Main developments in the regulatory and standards landscape



### Europe

- Many initiatives, mostly triggered by consumer demands and need to strengthen their supply chains:
  - Corporate Sustainability Due Diligence Directive
  - Critical Raw Materials Act
  - Batteries Regulation



### US

- Two motivations
  - Secure a supply chain on the light of the energy transition
  - Increase domestic mining production, which may need to improve their regulatory framework



### ISO

- Australian initiative underway
- German initiative to start work in July 2024



### Convergence of standards

- TSM, ICMM, WGC and the Copper Mark are working on consolidating their respective standards
- TSM and the Copper Mark have launched a pilot project to merge their assurance process



More regulations with pressures to simplify the landscape, but they trigger new ones to develop



## Our Vision

is a sustainable society, enabled by the responsible production, sourcing, and recycling of metals.



We apply robust governance, credible standards and assurance, stakeholder engagement, and leadership strategies to:

**Address past, present, and future critical impacts on people and the environment throughout metal value chains.**

**Support the circular economy.**

**Contribute to positive legacies and a sustainable society.**





## Our Principles

### 1. TRANSPARENCY

We promote and enable greater transparency and information-sharing across the metals supply chains and for end-users.

### 2. SIMPLICITY

The uniform approach to standards setting offered by the Copper Mark will reduce the administrative burdens and minimize the costs of achieving and maintaining regulatory for participants.

### 3. CONTINUOUS IMPROVEMENT

Our standards and processes are regularly reviewed, and participants must be re-assessed every three (3) years against the updated requirements.

### 4. COLLABORATION

We recognize existing systems already implemented by copper, molybdenum, nickel and zinc producers. We build partnerships across metals, along the supply chain and in key geographical regions.

### 5. INCLUSIVITY

We aim to improve production, sourcing and recycling practices across the whole supply chains of the copper, molybdenum, nickel and zinc industries.



## A Credible System:



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**GOVERNANCE:**  
Inclusion of impacted stakeholders in the decision-making body.



**STANDARDS:**  
A comprehensive standard for responsible production covering all major environmental, social and governance topics. A 100% OECD-aligned supply chain due diligence standard. A chain of custody standard for certified copper.



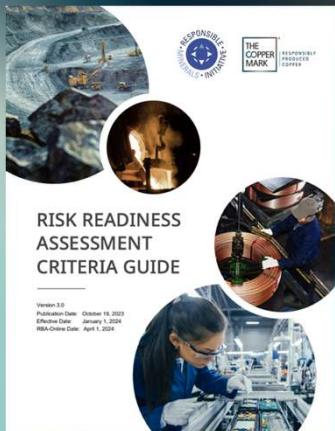
**TRANSPARENCY:**  
Transparency of process and results.



**VERIFICATION:**  
A strong assurance process and assessor oversight.



## Risk Readiness Assessment: version 3.0

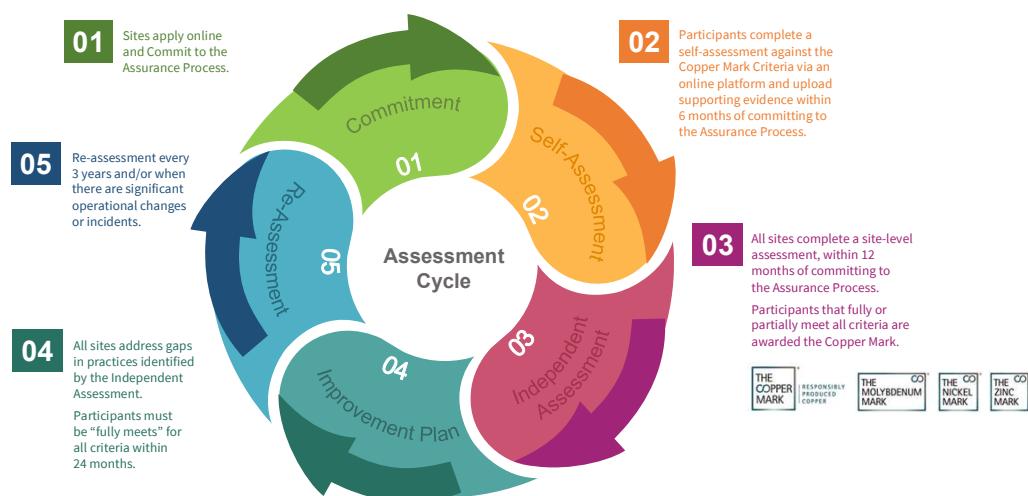


### Major changes related to evolving market expectations:

- New requirement on climate action to align with the Paris Agreement.
- New requirement on circular economy, with the need to provide recycled content information to customers.
- Revised requirement on GHG emissions:
  - Requirements for Copper Mark participants to set science-based goals and quantitative targets for climate action
  - Requirement to disclose average carbon emissions data for scope 1, 2 and relevant scope 3 emissions
  - Encouragement of participants to relevant product-level carbon emissions data and provide that data to customers upon request.



## The Copper Mark Assurance Process



## Our Progress



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The Copper Mark applies to copper, nickel, molybdenum, and zinc producers, from mine up to and including fabricators.

**Today, Copper Mark recipients cover more than 30% of global copper mine production.**



56	Copper Mark awarded	
72	Sites participate in the Copper Mark of 26 companies	
41	Partner organizations	



## Our Multi-Metals Collaboration

Building on the JDDS collaboration, the Copper Mark has now opened its assurance framework to producers of molybdenum, nickel and zinc.

Producers of these metals can use the Copper Mark assurance framework to achieve their respective "Mark", thereby signaling their leadership in sustainability and responsible production practices.

25 sites with more than one "Mark" 9 sites that ONLY have the Ni, Zn or Mo Mark

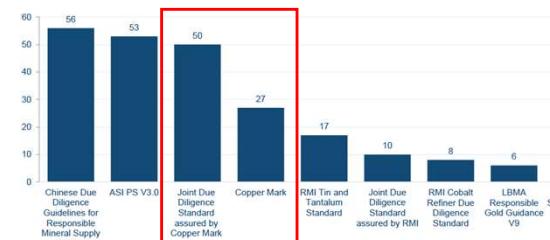


# The Joint Due Diligence Standard

- Developed in partnership with the International Lead Association (ILA), the International Molybdenum Association, the International Zinc Association (IZA), the Nickel Institute and the Responsible Minerals Initiative (RMI), the Joint Due Diligence Standard (JDDS) **supports a coordinated response to responsible sourcing challenges.**
- The Joint Standard is **approved by the LME as a Track A standard.** It was the most widely used Track A standard in 2023 as standalone option or integrated in the Copper Mark.
- The Copper Mark has completed and **published the results of its OECD Alignment Assessment** for the Joint Due Diligence Standard. Improvement actions are currently implemented according to the **public Improvement Plan.**

Organization conducting the review	Title	Type of Review	Description	Score	Link
OECD / Kumi Consulting	Copper Mark's Joint Due Diligence Standard ASSESSMENT FOR RECOGNITION BY THE LMES RESPONSIBLE SOURCING REQUIREMENTS UNDER "TRACK A"	Independent third-party review	<p>Using the OECD's <a href="#">Methodology for the Alignment Assessment of Industry Programmes with the OECD Minerals Guidance</a> (2018) this is a third-party assessment of the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel, and Zinc and the Copper Mark Assurance Process for alignment with the OECD Due Diligence Guidance for Responsible Sourcing of Minerals from Conflict-Affected and High-Risk Areas.</p> <p>The results are submitted the London Metals Exchange to fulfill the requirements for a "Recognized Alignment-Assessed Standard Track" programme.</p>	<p>Overarching due diligence principles: 98%</p> <p>Overall alignment with the five-step framework: B96</p>	<a href="#">Overview</a> <a href="#">Full Report</a> <a href="#">Excel</a>

Track A standard selection by number of brands 2023



## Research Projects: foster stakeholder engagement and identify critical impacts of the value chain

Research projects help us to understand stakeholders and connect with them on a regular basis, resulting on:

- High contribution to our credibility and stakeholder engagement
- Supports growth across other metals

## Current Pipeline

1. Artisanal and Small-scale Copper Mining in Peru (ASM): Increased activity in ASM in copper in Peru with little official data and significant ESG impacts. This research topic is groundbreaking as it maps out, for the first time, ASM copper actors and their activities.

Ongoing, ends April, OECD in May

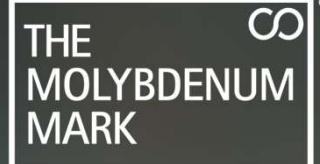
2. Sector Decarbonization Agreement - Copper (SDA): Currently, there is no guidance available to the copper industry on setting science-based targets that considers the need for production to grow to meet the demand for the energy transition.

Approved, starts in May





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## Questions?

Contact us at [info@coppermark.org](mailto:info@coppermark.org)