The Copper Mark Theory of Change

February 2021

Revision Date:	Publication Date:	Organization:
9th February 2021	11th February 2021	The Copper Mark
Title:		Type:
The Copper Mark Theory of Change		Public

1 Introduction

The Copper Mark is a comprehensive assurance framework to promote responsible production practices and demonstrate the copper industry's contribution to the United Nations SDGs. The Copper Mark goes beyond compliance, and focuses on continuous improvement of responsible production. The Copper Mark can improve the lives of colleagues and neighbors, strengthen the communities in which the copper industry does business, and increase the value delivered by the industry to customers and their consumers.

The Copper Mark Theory of Change (ToC) articulates the desired impact of the organization. The ToC uses a logic of causal chains to connect the Copper Mark's interventions, results, short- and long-term goals to achieve the desired impact. It is intended to act as a guide to measure the effectiveness of the organization's activities. The ToC is also the foundation for the Monitoring and Evaluation (M&E) system, which details the process to monitor and evaluate progress using indicators and external validation. The intent of the M&E system is to track progress, measure success toward achieving the desired impact, and identify areas for improvement and innovation.

2 Vision

The Copper Mark was initially developed by the International Copper Association (ICA) with the original vision that "Copper producers with the Mark are recognized by their employees, neighbors, customers, investors and civil society as having adopted internationally-accepted responsible operating practices and making significant contributions to the UN Sustainable Development Goals."

In 2019 the Copper Mark became a separate organization. The vision was formalized and translated into the 5-year strategy. The Copper Mark vision remains:

"**Copper supply chain actors with the Copper Mark are recognized by their employees, neighbors, customers, investors and civil society as having adopted internationally-accepted responsible operating practices and making significant contributions to the UN Sustainable Development Goals.**"

3 Intended Impact

The Copper Mark envisions three types of impacts from copper broadly:

1. **Copper use**: copper the product is critical to the transition of clean energy
2. **Copper production**: as the demand for copper product increases, and considering its vital role in clean energy, it is expected that the copper industry effectiviely prevents, mitigate and remedies salient issues related to the production process.
3. **Copper industry contributions**: the copper industry can contribute to the sustainable development of the communities in which it operates

The Copper Mark's role is to focus on the second and third. The primary goal of the Copper Mark is to ensure the majority of the industry implements, and has independently assured, responsible production practices. In addition, the Copper Mark aims to demonstrate the industry contribution to sustainable development beyond responsible production.

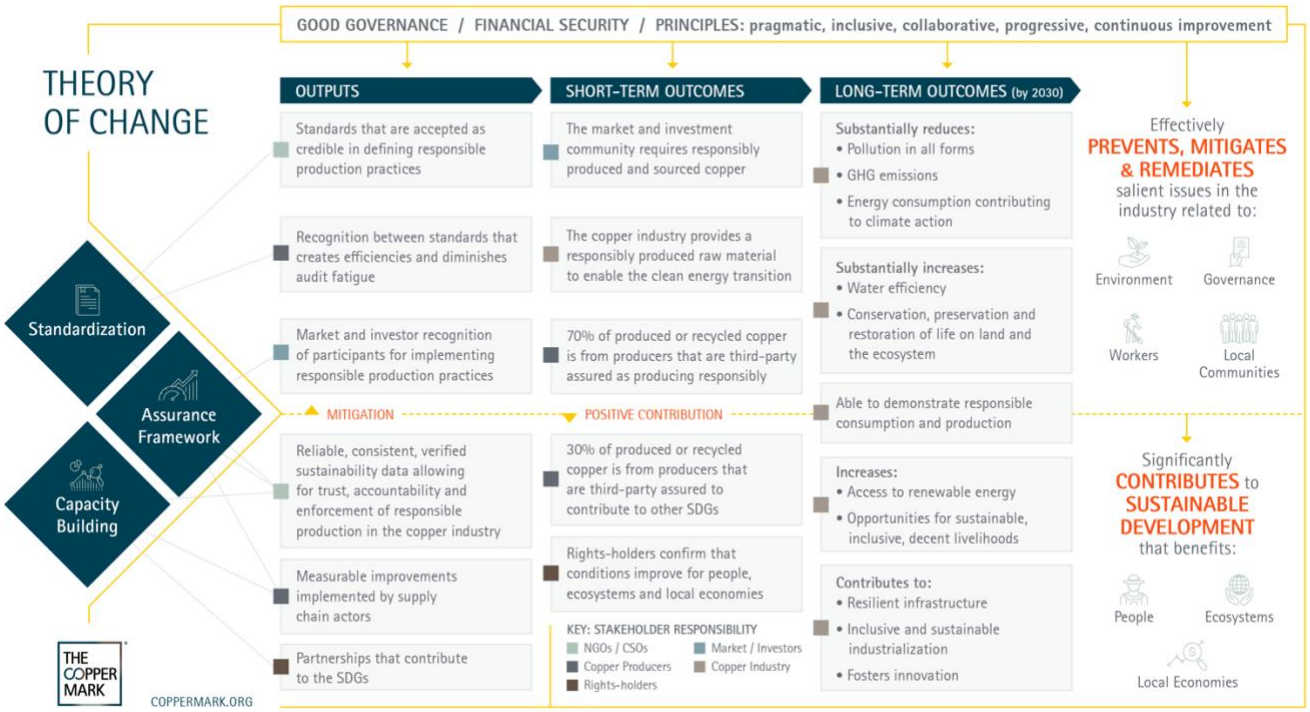
The intended impact in this ToC is two-fold:

- **The copper industry effectively prevents, mitigates and remedies salient issues in the industry related to environment, workers, local communities and governance.** The copper industry is able to make significant progress toward implementing solutions to prevent the common issues associated with copper production. When prevention is not possible, the copper industry is able to reduce and provide remedy for the negative impacts.
- **The copper industry significantly contributes to sustainable development that benefit people, ecosystems, and local economies.** The copper industry supports the sustainable development goals through measurable and independently assured contributions.

4 The Copper Mark Future

The Copper Mark 5-year roadmap lays out the plans for the Copper Mark from 2020 to 2025. The Copper Mark focus begins with assuring copper producers against the 32 Risk Readiness Assessment (RRA) Criteria for responsible production through the Assurance Process. In the second phase, the Copper Mark is committed to developing a chain of custody system, expanding the assurance process to entities further downstream, tackling questions related to recycling, and creating a method to measure and validate the copper industry's contributions to the Sustainable Development Goals. While acknowledging regular review and revision of this ToC, it was developed with the 5-year roadmap in mind.

5 Infographic



6 Foundational Elements of the Theory of Change

Good Governance and Financial Security

At the core of the Copper Mark Theory of Change is a a well-run and financially sound organization. It is well understood that without a foundation of good governance and financial security, none of the activities of the Copper Mark are feasible. Good governance refers to the governance structure of the Copper Mark and the policies and procedures that oversee day-to-day operations. Good governance does not refer to specific individuals who hold leadership positions, but rather the guidelines and processes in place to ensure accountability, business integrity, legal compliance, and transparency. The Copper Mark holds itself to a high level of responsibility to manage the organization efficiently and transparently.

Principles

The Copper Mark is based on five core principles. These principles are understood to underpin all of the interventions of the Copper Mark and are illustrated in the ToC as existing throughout. The five principles are:

1. Pragmatic

The Copper Mark is achievable, implementable and fit-for-purpose. Participants are able to use documented evidence as a significant contribution to the assessment.

2. Inclusive

   The Copper Mark is accessible to all Participants in scope, at whatever stage along their journey to sustainability and to all sizes of operations.

3. Recognition

   The Copper Mark recognizes existing standards systems, reporting frameworks, and certifications in order to avoid redundancy and to promote the use of these initiatives.

4. Progressive

   The Copper Mark acknowledges that a period of implementation is required to achieve full conformance with The Copper Mark standards.

5. Continuous improvement

   The Copper Mark monitors overall progress through annually reviewing implementation of improvement actions.

Assumptions

Embedded in every ToC is the concept of assumptions. Assumptions are the external factors, not controlled by The Copper Mark, necessary to make a leap from one link in the ToC chain to the next. While there are small ones throughout the ToC, there are a few noteworthy assumptions:

1. **The long-term outcomes will lead to the desired impacts.** The ToC rests on the assumption that the long-term outcomes lead to the desired impacts. The Copper Mark understands there are other factors that will also contribute to this enabling environment, and would not assume to take full credit for the effects. As an example, The Copper Mark assumes that substantially increasing water efficiency will result in mitigating water issues that are important for the people, places and market affected by the copper industry.
2. **Desired change will be achieved by lifting the industry as a whole**. The Copper Mark aims to lift the industry as a whole, to create a broader and bigger impact. The standards are regularly reviewed (every 3 years) to ensure continued alignment with international expectations to gradually move the whole industry forward. This strategy assumes that the leaders in the industry will pave the way for the rest of the industry and that achievable standards will reduce the barrier to entry. For example, The Copper Mark believes that by engaging entitites of all sizes and geographic locations, the overall amount of copper responsibly produced and potentially contributing to the UN SDGs will be greater than if The Copper Mark was only awarded a smaller portion of the industry.

3. **Good interventions combined with critical mass lead to changed behavior**. This assumption continues to say that data sharing of that changed behavior provides incentives from the market for continued or enhanced good behavior, which ultimately leads to the desired results. As an example, if the results of the Assurane Framework are readily available to interested stakeholders, those stakeholders will continue to identify and incentivize the good behavior, resulting in a cycle of continuous improvement through positive reinforcement.
4. **Copper Mark's value add is rigorous validation processes.** One element of a ToC is to acknowledge what is not part of the cause-and-effect chain. Responsible practices are implemented by the copper producers that participate in the Copper Mark. The Copper Mark aims to provide rigourous standards, assurance, and capacity building to validate those practices, recognize and measure participants' progress over time. For example, while The Copper Mark sets the expectation for pollution reduction, assesseses the Copper Producers implementation of that expectation, continuously monitors and reports on progress, The Copper Mark – the UK-based organization – will not be the one to substantially reduce pollution. It will ultimately be the participating Copper Producers, the actions of which will be validated, monitored, and reported to some extent by The Copper Mark.
5. **Different actors have responsibilities throughout the ToC to bring it to fruition.** Each element of the ToC is categorized by the actor "responsible" for its implementation in order to bring out the desired change, meaning the actor whose behavior influences whether or not the change occurs. The actors include: The Copper Mark; Participants in the Copper Mark; NGOs/CSOs; Rights-holders; the market / investors; and the copper industry as a whole. This is further explained throughout this document.

7 Core Elements of the Copper Mark Theory of Change

In the causal chain of the ToC, there are 5 core elements:

- **Interventions:** core business activities and investments of the Copper Mark that are the impetus for change
- **Outputs:** direct results of activities and investments of the Copper Mark
- **Short-term outcomes:** the 5 year goal of the Copper Mark
- **Long-term outcomes:** 6-10 year goal of the Copper Mark based on lessons learned and improved interventions over time

Interventions (responsible actor: The Copper Mark)

The Copper Mark's interventions are broken into three main pillars. These are the three activities that most concretely demonstrate the Copper Mark's value add toward the impact and goals. While each intervention yields individual outputs, the combination is

what results in the intended outcomes. A Copper Mark assumption is that all three interventions are required to produce maximum impact.

Standardization

The baseline of the Copper Mark is the standards its participants are required or encouraged to adhere to and implement. This includes the Risk Readiness Assessment Criteria, the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc, the Chain of Custody Standard (under development) and the SDG concept (under development). These standards build on best international practice to ensure credibility, consistency, and clarity.

Assurance Framework

Assurance is the process to validate adherence to the requirements set out in the standards. At the core of the Copper Mark is a high quality assurance process. A core principle of The Copper Mark is to recognize as “equivalent systems” where they match and meet the Copper Mark Criteria.

Supporting the Assurance Process are the associated claims. The Copper Mark has clearly articulated the claims that a participant, partner or other stakeholder may make in relation to the Copper Mark.

Finally, the Assurance Process is complemented by a Grievance Mechanism, with a stated purpose to ensure that grievances raised with the Copper Mark are handled in a timely, comprehensive, consistent, transparent, and effective manner. It is intended to allow Copper Mark stakeholders to raise concerns, have these investigated and provide remedy where rights are violated. The Grievance Mechanism also contributes to the continuing learning of the organization and the Assurance Framework in particular.

Capacity Building

Capacity building interventions can also be referred to as enabling tools. This pillar is vital in ensuring impact where the two core interventions require additional measures. Through education, training, on-the-ground projects and partnerships, the Copper Mark goals can extend to a broader range of stakeholders up and down the supply chain, throughout communities, and across the globe.

Outputs

The outputs of the three pillars have already been touched upon in their description. The outputs depend on the assumption that the interventions are robust, which relies on the interventions themselves as well as the foundational elements of good governance and stakeholder participation.

- Standards that are accepted as credible in definiting responsible production practices: As a result of standardization. Results in changed behavior of NGOs / CSOs.
- Recognition between standards that creates efficiencies and diminishes audit fatigue: As a result of standardization and the Assurance Process. Results in changed behavior of Copper Mark participants.
- Market and investor recognition of participants for implementing responsible production practices: As a result of the Assurance Framework. Results in changed behavior of market / investors.
- Reliable, consistent, verified sustainability data allowing for trust, accountability and enforcement of responsible production in the copper industry: As a result of standardization and the Assurance Framework. Results in changed behavior of NGOs / CSOs.
- Measurable improvements implemented by supply chain actors: As a result of the Assurance Framework and capacity building. Results in changed behavior of Copper Mark participants.
- Partnerships that contribute to the SDGs: As a result of capacity building. Results in changed behavior of rights-holders.

Short-term Outcomes

In the short-term outcomes, the Copper Mark assumes a chain of events that promotes uptake by participants because of the credibility of the Copper Mark both directly with the participants and with the market drivers that encourage them. As the Copper Mark framework and sphere of influence expands in the next 5-years, the following short-term outcomes are expected:

- The market and investment community requires responsibly produced and sourced copper: there are incentives not only for initial participation but for continuous improvement and growth over time. Results in changed behavior of market / investors.
- The copper industry provides a responsibly produced raw material that enables the clean energy transition: the responsible production of copper is a necessary foundation for the transition to clean energy. It's production does not outweigh the benefits of having clean energy sources (supports efforts toward carbon neutrality and promotes responsibly produced clean energy sources). Results in changed behavior of copper industry.
- 70% of produced or recycled copper is from producers whose practices are third-party assured meeting the RRA Criteria. This is a direct result of being recognized and encouraged through the market and investors. Results in changed behavior of participants in the Copper Mark.
- 30% of produced or recycled copper is from producers that are third-party assured to contribute to SDGs. As a voluntary program, the SDG concept recognizes and seeks to promote best practice. Results in changed behavior of participants in the Copper Mark.
- Rights-holders confirm that conditions improve for people, ecosystems and local economies. Not only are the numbers on paper, but the positive impacts in copper producing areas are confirmed by those who are most affected. Results in changed behavior of rights-holders.

Long-term Outcomes (responsible actor: copper industry)

The long-term outcomes allow space for the Copper Mark to grow in reach and uptake. The quantified objectives for each element, for example of the SDGs, are further outlined in the M&E Methodology. Overall, the Copper Mark understands that the primary goal is to get the majority of copper to be produced or recycled by responsible actors. This may be fewer, larger actors. This also accounts for the difference in terminology related to "substantial" changes in the mitigation pathway, which assumes more uptake and the less-ambitious changes in the positive contribution pathway, which assumes a more limited uptake.

The Copper Mark Criteria are a comprehensive set of 32 environmental, social, and governance issues related to metals and mining. Broadly applied, The Copper Mark considers conformance with these criteria to contribute to SDG 12. At a more granular

level, the specific elements tied to SDGs have been identified through initial research by the Copper Mark including: a materiality assessment of critical risks in copper production; a review of core areas for responsible sourcing; and the Mapping Mining to the Sustainable Development Goals: An Atlas. Based on this research, the Copper Mark identified the copper industry as being able to have a direct impact in mitigating the risks related to the following SDGs:

- Goal 6. Ensure availability and sustainable management of water and sanitation for all
- Goal 13. Take urgent action to combat climate change and its impacts
- Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

The Copper Mark identified the copper industry as being able to directly provide a positive contribution to the following SDGs:

- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

On the border between mitigating negative consequences and promoting positive contributions is Goal 12. Ensure sustainable consumption and production patterns. This goal is at the heart of the Copper Mark and the Copper Mark Criteria.

These SDGs are the basis for the long-term outcomes, which state that by 2030, the copper industry will:

- Substantially reduces pollution in all forms (goal 6, 12, 15)
- Substantially increases water efficiency (goal 6)
- Substantially reduces GHG emissions and energy consumption contributing to climate action (goal 13)
- Substantially increases conservation, preservation and restoration of life on land and the ecosystem (goal 15)
- Able to demonstrate responsible consumption and production (goal 12)
- Increases access to renewable energy (goal 7)
- Increases opportunities for sustainable, inclusive, decent livelihoods (goal 8)
- Contributes to resilient infrastructure, inclusive and sustainable industrialization and fosters innovation (goal 9)

The details and sustainability metrics used to monitor and measure progress on the TOC is further discussed in the M&E System.