

**The Copper Mark
Due Diligence Working Group
Terms of Reference**

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The Copper Mark Due Diligence Working Group Terms of Reference		Internal

Objective

The purpose of the Copper Mark Due Diligence Working Group (“DD working group”) is to provide a framework for collaboration to enable copper, zinc, lead and nickel producers to comply with the responsible sourcing rules of the London Metals Exchange (LME) using a single standard, tool and assurance framework.

Overview

In 2019, the London Metals Exchange (LME) published its responsible sourcing policy, requiring all LME listed brands to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (herein “the OECD Guidance”), as well as ISO 14001 and OHSAS 18001 / ISO 45001 or equivalent certification programs.

To demonstrate this compliance, the LME allows its brands to use a recognized alignment-assessed standard. Such a standard is available for some of the LME traded metals, specifically tin and gold, but not yet for copper, zinc, nickel and lead.

The Copper Mark, an assurance framework developed specifically for the copper industry, will launch in 2020 and is developing a due diligence standard to comply with the LME’s responsible sourcing policy. This standard will be OECD alignment-assessed in 2021.

Recognizing the efficiencies of establishing a single due diligence standard that can be assured using the Copper Mark’s assurance framework and that applies to copper, zinc, nickel and lead producers, the metal associations representing those four metals as well as the Copper Mark established the DD working group.

Secondly, the metal associations and the Copper Mark believe that a DD working group will provide an appropriate platform to discuss further collaboration opportunities, specifically the possibilities for the full Copper Mark Criteria to be expanded to include additional metals so as to meet the growing needs of multi-metal, zinc, nickel and lead producers to demonstrate responsible production practices.

Roles and Responsibilities

To achieve its objective, the DD working group will:

1. Jointly develop the following deliverables:
 - a. A position paper on the applicability of the OECD Guidance in the supply chains of copper, zinc, lead and nickel.
 - b. A joint, OECD aligned, Due Diligence Standard. “OECD aligned” refers to a Standard that is considered “fully aligned” with the OECD Guidance per the [methodology for the alignment assessment of industry programmes](#) developed by the OECD.
 - c. A joint tool for companies to implement the joint Due Diligence Standard.

2. Collaborate on the delivery of training and raising awareness on the joint Due Diligence Standard, including but not limited to:
 - a. Development of shared training resources to support companies in the application of the joint tool, the implementation of the joint Due Diligence Standard and the implementation of the Copper Mark’s assurance process to demonstrate conformance with the joint Due Diligence Standard through an independent third-party assessment.
 - b. Delivery of the shared training content at events attended by copper, zinc, nickel or lead producers or other key stakeholders.
 - c. Develop shared translations for training resources to cover the main languages required to reach copper, zinc, nickel or lead producers.
3. Commit to identify and discuss further opportunities for collaboration and, specifically, to assess whether the Copper Mark assurance framework could be leveraged to address the needs for zinc, nickel and lead producers to demonstrate responsible production practices across all major environmental, social and governance issue areas.

Due Diligence Working Group Membership

Composition

The DD working group will include representatives of the following organizations:

- The Copper Mark
- International Zinc Association
- International Lead Association
- Nickel Institute
- Responsible Minerals Initiative

The following organizations are invited to join the DD working group as observers due to their interest and expertise in the areas covered by the DD working group:

- London Metal Exchange
- OECD
- International Molybdenum Association
- Multi-metal producer companies*

Additional organizations may be invited to the DD working group where these are considered to support the objectives of the working group.

* The DD working group will aim to ensure participation of 3 – 5 multi-metal producer companies. Companies will be selected in consultation with the participating metal associations to ensure a balanced representation of metals covered by the Due Diligence Standard.

Member Contributions

Members are expected to contribute to the Advisory Council by:

- Attending meetings via teleconference;
- Reviewing materials prepared by the Copper Mark staff or contractors in advance or in between meetings of DD working group;
- Provide input and feedback on the materials prepared by the Copper Mark staff or contractors in writing and / or during the DD working group meetings;

- Identify and bring to the attention of the DD working group further opportunities to collaborate on promoting responsible production and responsible sourcing practices of metal producers.

Decision Making

The DD working group will seek to develop joint deliverables that meet the needs of its participants. The deliverables primarily serve to allow copper, zinc, nickel and lead producers comply with the responsible sourcing requirements of the LME.

All deliverables of the DD working group will be submitted to the decision-making body of each participating organization for review and adoption.

Nothing in these terms of reference limits the ability of each participating metal association or the Copper Mark to use the materials and deliverables developed by the DD working group, provided such use is permitted under the non-disclosure agreement and does not violate any applicable laws or regulations.

Administration

Participants to the DD working group will be asked to sign a non-disclosure agreement.

The working language of the Copper Mark Advisory Council is English.

The DD working group will be convened and chaired by staff of the Copper Mark.

Joint deliverables developed by the DD working group will be using a neutral branding style, reflecting the logos of all the organizations that have adopted the final deliverable.