



The Copper Mark Chain of Custody Standard Terms of Reference

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1 Introduction

This Chain of Custody Standard Terms of Reference (ToR) sets out the approach to be used in development of the Copper Mark Chain of Custody Standard. This document is developed in line with the Copper Mark Standard Setting Procedure. Input from stakeholders, organizations with similar international standards, the Copper Mark Technical Working Group and the Copper Mark Advisory Council informed the development of this document.

2 Objectives

The Copper Mark’s vision for copper supply chain actors with the Copper Mark to be 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. Its assurance framework currently verifies responsible production practices at site-level for copper mines, smelters and refiners.

Copper is an essential raw material for the clean energy transition. The Chain of Custody (CoC) Standard’s core objective is to allow customers to buy “Copper Mark copper,” making sure their copper was produced responsibly. The CoC Standard links responsible production practices at the site level with responsible copper product. Users of the Chain of Custody System would be able to make product-level claims related to “Copper Mark Copper.” The exact phrasing of the claim may change during the drafting process.

The CoC Standard will define independently verifiable assessment criteria for actors in the copper supply chain to implement separation or mass balance chain of custody systems. The option to use Book and Claim is also in discussion. It is further expected to contribute to the uptake of responsible production practices and in particular use of the Copper Mark Responsible Production Criteria and Assessment Process.

3 Key Principles and Core Elements

The CoC Standard will be based on the following Copper Mark principles:

1. Pragmatic

The Copper Mark is achievable, implementable and fit-for-purpose. Companies are able to use documented evidence as a significant contribution to the [assessment](#).

2. Inclusive

The Copper Mark is accessible to all companies 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 its standards.

5. Continuous improvement

The Copper Mark monitors overall progress through annual reviews of the implementation of improvement actions.

The CoC Standard will incorporate the following core elements:

- The CoC Standard is available to the full supply chain, from mines to end products.
- Sites that are in scope of the Copper Mark Assurance Framework must demonstrate conformance with the Copper Mark Responsible Production Criteria to be eligible for the CoC Standard.
- Implementation of the CoC Standard is voluntary.
- All copper-containing products are included in the scope of the CoC Standard.
- Users will be able to make product-level claims to say the percentage of “Copper Mark copper” in their product. The exact terminology of the claim will be designed through the drafting process.

At a later date, the CoC Standard may be expanded to include product-level claims with specific attributes.

4 Scope

The CoC Standard will have a global scope.

Types of facilities

The scope of the standard covers all actors in the copper supply chain. It is implemented and assessed at site-level.

Sites that are in scope of the Copper Mark Assurance Framework must demonstrate conformance with the Copper Mark Responsible Production Criteria (the Copper Mark Criteria). This includes sites up to and including the point where a product made from copper or copper alloys is given a special shape, surface or design which determines its function to a greater degree than its chemical composition, and down to but not including the point where a complex object is manufactured. For avoidance of doubt,

these are sites where copper and copper alloy materials are processed, treated, mixed, formulated, handled and otherwise manipulated.

The scope includes all facilities that the site intends to use to process, store, handle, ship and receive CoC material.

Types of materials

The standard covers both recycled and mined material.

Sites in scope might produce other metals as well as copper. However, because the CoC Standard is primarily intended to link responsible sites with responsible copper product, the material in scope is limited to copper.

5 Justification

The [Copper Mark Criteria](#) assess the performance of eligible entities against 32 environmental, social and governance issues. The Copper Mark Criteria are currently under revision and the Assurance Process will be expanded beyond the current eligibility scope to include entities further downstream.

The CoC Standard provides the additional, voluntary, element of the assurance framework to link responsible copper producers to their customers. It is applied along the entire supply chain, beyond the copper producing sites that participate in the Copper Mark, in order to allow for consumers to buy a responsibly produced copper product.

Currently, no chain of custody standard exists that is applicable and fit for purpose for the copper supply chain. This means, consumers are not able to determine if copper in their products is responsibly produced.

As part of its initial review, the Copper Mark engaged with stakeholders both within and out of the copper value chain to understand the existing landscape. The following needs were expressed:

- Ability for customers to determine if copper in their products is responsibly produced;
- Need for increased transparency in copper supply chains to support human rights and environmental due diligence;
- Requests for specific information on carbon footprint, recycled content and origin of copper products.

While individual companies have invested in blockchain or other technology to trace and begin to implement a chain of custody system for specific products, the Copper Mark identified the following gaps:

- There is no industry-wide set of requirements to establish a chain of custody making any claims incomparable and inconsistent once the copper reaches the end consumer;

- Claims are company-specific and often narrowly focused to a vertical and simple supply chain which is not the common state of the industry;
- Consumers of copper products manufactured by sites that participate in the Copper Mark Assurance Process are not able to make any claims regarding the responsible production practices associated with those products, thereby limiting the value of the Copper Mark for its participants and their customers.

Existing landscape

The Copper Mark conducted desk research to identify existing CoC systems. As a starting point, the Copper Mark reviewed the ISEAL requirements and ISEAL Member standards.

In addition, the Copper Mark consulted with a number of CoC scheme owners directly to understand the development process, need, common challenges, and solutions to various chain of custody models. These include:

- ASI
- BCI
- Cradle2Cradle
- RJC
- RSPO
- RSO

ASI and RJC had the most comparable systems in the sense that they also cover metal supply chains, which are unique due to the melting and smelting / refining processes that make identity preservation and most forms of separation nearly impossible.

The RJC may have some overlap with this CoC standard in cases where gold or other precious metals are byproducts of copper. Other organizations such as IRMA and CERA are developing mineral agnostic standards, however these are tied to their own mining standards.

6 Intended Environmental, Social and Economic Outcomes

The CoC Standard supports two main outcomes related to transparency:

1. General increase in transparency across the supply chain will result in more demand for responsibly produced copper, creating incentives for copper producers to participate and thus, increasing the overall impact of the Copper Mark.
2. Support downstream goals, claims, and due diligence around decarbonization, increased recycling, and responsible sourcing.

Copper products already contribute to efforts to achieve carbon neutrality through their functionality in clean energy products. The CoC Standard further supports such efforts by transferring data about the full supply chain of the copper used in

their products including carbon footprint, energy use, water use, due diligence, and other factors.

By better understanding the impact of their supply chains, end users can make educated sourcing decisions that support their stated sustainability objectives and contribute to greater environmental, social and economic impacts on the ground.

7 Risks in Implementing the Standard

In addition to the risks identified here, the Copper Mark Monitoring and Evaluation Process will be an integral tool in identifying and assessing risks in order to work with Copper Mark leadership for resolution.

Factors that could have a negative impact on the ability of the standard to achieve its outcomes

Lack of Incentive: the biggest threat to the ability of the standard to achieve its outcomes is lack of uptake due to a lack of incentive. The Copper Mark spent 6 months consulting with stakeholders including copper producers and processors, fabricators, downstream, metals associations, other CoC scheme owners, the Advisory Council and Board of Directors to understand the need and specific requirements for the CoC Standard. Many stakeholders articulated a desire for product-level claims, for example “low-carbon copper” or “green copper,” however there was no common understanding or clear expectation of what those claims would mean. Because of the current lack of clarity from downstream, regulatory, and other drivers, it is challenging for the Copper Mark to develop something that provides claims related to specific attributes.

Not a consumer-facing product: because copper is not a consumer-facing product but is much more often an ingredient to a consumer-facing product, it may be challenging to encourage uptake. Because the ultimate claim is only related to the copper itself, it made lead to distortions. For example, applying the Copper Mark to a wind turbine would only mean that the copper in the wind turbine has gone through the CoC Standard, not the other elements.

Alloys and other metals: similarly, one of the common uses of copper is copper alloys, where multiple metals are present. The responsible sourcing claim may then be diluted because of multiple metals in the product, when again the claim only relates to the copper itself.

Costs of implementation and assessment: If there is a high demand for sites to use the separation as opposed to mass balance approach, the costs to implement the system may be prohibitively high.

Anti-competition. The Copper Mark complies all anti-trust laws. The CoC Standard is not intended in any way to limit competition, though it is intended to encourage responsible production practices. However, it could be perceived or implemented in a way that suppliers or customers could be exposed.

Unintended consequences

Potential unintended consequences include a lack of awareness or understanding of what the Chain of Custody means because a lack of awareness or understanding of the Copper Mark's 32 criteria.

Possible corrective actions

The Copper Mark will raise all identified factors – whether unintended or foreseen – with the Advisory Council to determine the best course of action.

Lack of incentive: based on the extensive stakeholder engagement on the topic and a lack of clarity, the Copper Mark has decided to start with a “traditional” CoC Standard. The “traditional” focus allows for the foundational requirement of a CoC Standard, which is to link the responsible sites with responsible copper product. Therefore, although users will not initially be able to make product-level claims related to specific attributes (such as “green copper,” “low-carbon copper,” or “recycled copper,” users will be able to make a broad product-level claim about “Copper Mark copper.” By starting with this foundation, the Copper Mark will be able to first connect sites to product throughout the supply chain and second monitor the growing needs of end users and regulatory requirements to allow the standard to grow organically into product-claims with specific attributes.

Cost: the Copper Mark allows for separation and a mass balance approach. Cost is the main reason why identity preservation will not be included in the CoC Standard.

In addition, we will identify opportunities to ease any logistical burdens of the assessment, for example by combining it with the regular assessment against the Copper Mark Criteria.

Not a consumer-facing product: we are still identifying potential solutions to overcome this issue.

Alloys and other metals: we are still identifying potential solutions to overcome this issue.

Anti-trust: the Copper Mark is working with its legal team to ensure the CoC Standard complies with all applicable laws and is used as a guidance and not for purposes of anti-competition.

Lack of awareness or understanding: Copper Mark already intends to develop a training module, FAQ and other guidance to proactively avoid this unintended consequence. It will be important to clarify what a Copper Mark claim entails with regards to all 32 criteria.

8 Standard Development Process

The development process will be managed by Copper Mark staff utilizing the [Standard Setting Procedure](#). The timeline for development, consultations, and finalization are intended to be complete for launch in 2023. Opportunities to participate and consult will be announced with lead time.

9 Input and Contact Information

Individuals interested in commenting on this document or remaining engaged through the standard development process may contact us at info@coppermark.org.