

INAUGURAL

# Annual Report

2020



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This is the first annual report of the Copper Mark covering the period of December 2019 to April 2021. We'd love your feedback!

For questions or comments, please email [info@coppermark.org](mailto:info@coppermark.org).



## Table of Contents

2. The Copper Mark	2
2.1 Governance	3
2.2 Producers	4
2.3 Partners	6
2.4 Working Groups	7
3. Programme	8
3.1 Standards	8
3.2 Assurance	9
3.3 Capacity Building	10
4. Stakeholder Engagement	11
5. Driving Impact	12
6. Grievance	12
7. Related Parties & Finance	13

## A Letter from the Executive Director



Michèle Brühlhart  
Executive Director

The Copper Mark's first year of operations was marked by great change. Our Assurance Framework launched in March 2020, in the midst of the global Covid-19 pandemic. Despite challenging operating environments, the Copper Mark welcomed 17 mining, smelting or refining sites in our assurance framework in year one – exceeding our expectations. This encouraging level of early adoption shows the copper industry's genuine commitment to responsible practices.

Copper is fundamental to the transition to clean energy and the Green Recovery. The Copper Mark is working with our stakeholders and participants to ensure the copper used in this transition is, and will be, produced responsibly.

To do so, we have built strong foundations in year one. A separate governance structure has been established with our own Board of Directors and Advisory Council. The assurance framework has been operationalised and lessons learned have been incorporated in a growing set of policies, procedures, and guidance. Our Grievance Mechanism and whistleblowing hotline have been launched. Transparency has been increased through the publication of our criteria, policies,

procedures, charters and training documents. Additionally, three technical working groups have been launched, contributing to the further development of our program.

The Copper Mark is built on the belief that collaboration along the value chain, across sectors and with impacted stakeholders is essential to achieve our objective of ensuring responsible production practices across the copper industry.

We thank our growing network of participants, partners and supporters for the considerable time and resources they have invested in the Copper Mark. In particular, the International Copper Association has worked closely with us to enable the launch and growth of the Copper Mark in the initial months. We continue to collaborate with like-minded companies and organisations across all our work to broaden and deepen our impact.

We are excited for the coming year, as we aim to further strengthen our foundations to ensure the Copper Mark is recognised as a credible assurance framework and its participants as responsible producers of copper.

## The Copper Mark

The Copper Mark is an industry-led initiative with significant stakeholder involvement and is built on the copper industry's commitment to responsible production practices. It was founded and initially developed by the International Copper Association (ICA), with the understanding that the organisation will become independent from the industry it assesses.

The Copper Mark was designed to build upon existing standards to develop a copper-specific framework. It is intended to address the full copper value chain and to include actors up to and including copper fabricators in its assurance framework. The Copper Mark acknowledges the unique challenges and opportunities that copper and its production bring to contribute to a sustainable development.

One of the five **principles** of the Copper Mark is collaboration: we **recognise existing systems** and have built partnerships across metals, along the supply chain and in key geographical regions. Collaboration activities span across our standard development, assurance framework, training and capacity building activities.

Our definition of what constitutes responsible practices, the **Copper Mark Criteria for Responsible Production**, adopts a set of 32 responsible production criteria defined by the Risk Readiness Assessment (RRA) created by the Responsible Minerals Initiative (RMI). The **Copper Mark Assurance Process** recognises 11 standards systems, reporting frameworks, and certifications in order to avoid redundancy and to promote the use of these existing initiatives. The **Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc** was developed by five partner organisations with a goal of reducing the burden on multi-metal producers and leveraging commonalities across these metals.

The Copper Mark also has formal and informal **collaboration**, cooperation and partnerships with organisations like the ICA, the RMI, the London Metals Exchange (LME) and others to help promote and recognise responsible production, use and reuse of our natural resources.

*"We are proudly committed to the Copper Mark. Responsible production is central to Freeport's strategy of being foremost in the global copper industry. The Copper Mark helps to demonstrate our responsible production practices to all of our stakeholders. Copper plays an essential role in the technologies necessary to develop and deliver clean energy. As one of the world's largest copper producers, we understand we play a critical role in the global energy transition, and we are dedicated to supplying the global economy with responsibly produced copper."*

—Kathleen Quirk: President and Chief Financial Officer, Freeport

### 2.1

## Governance

On 19th December 2019, the Copper Mark was incorporated as a company limited by guarantee in the United Kingdom. This marked the first step in its transition towards an organisation that includes a diverse set of stakeholder perspectives in its governance structure. The Copper Mark set up its **Board of Directors**, currently comprised of three sector representatives, one independent director, and the Copper Mark Executive Director. Supporting the Copper Mark governance structure are two full-time **staff**.

The Copper Mark recognises that to successfully implement the organisation's vision and mission, it is vital to engage and consider the perspectives of diverse stakeholders. Over time, the Copper Mark seeks to establish a multi-stakeholder governance structure.

To facilitate outreach and engagement, the Board of Directors in June 2020 established an **Advisory Council** to support the Board by providing recommendations on the implementation of the Copper Mark's vision and mission. Participation is intended to comprehensively cover impacted stakeholder perspectives within and outside the copper industry. Additional participants have been added throughout the period covered in this report to work towards this objective. Participants advise the Board on the Copper Mark's program development and implementation, the criteria for responsible production, as well as organisational development.



## Launching the Assurance Process: Copper Producers

The Copper Mark formally launched the Assurance Framework on 31st March 2020. In its initial phase, copper producers can commit to and participate in the five-step process to achieve the Copper Mark at their sites. In a second phase, anticipated by 2023, the Assurance Process will be available to all supply chain actors up to and including fabricators.

The Assurance Process is implemented at site level. Each site is independently assessed by an independent third-party assessor, using the Copper Mark Assurance Process or an equivalent system, to demonstrate conformance with the Copper Mark Criteria for Responsible Production – the **Risk Readiness Assessment** of the RMI.

In the first year of operation, 17 sites from seven companies committed to and participated in the Copper Mark. The Copper Mark publishes the names, status, and Assessment Summary Report for each participating site on its **website**.

Table 1: Participating Sites by Geography and Operational Type

Geography	Mining	Smelting / Refining	Mining, Smelting, & Refining	Supply Chain Actors
	Current Scope			Forthcoming
N. America	1	1	2	
S. America	6			
Europe		4		
Asia / Australia	1	1	1	
Africa				
<b>Total</b>	<b>8</b>	<b>6</b>	<b>3</b>	

In accordance with the Copper Mark Assurance Process, sites that are determined to “partially meet” or “fully meet” all applicable criteria can be awarded the Copper Mark.

A key principle of the Copper Mark is to encourage continuous improvement, both within the organisation and the wider industry. As part of the Assurance Process, any site that does not “fully meet” all applicable criteria must also develop, implement, and be independently assessed against an improvement plan. Each site must secure “fully meets” status for all Copper Mark Criteria for Responsible Production within 24 months of signing the Letter of Commitment.

The Copper Mark reviews all findings of participants to help focus training, capacity building, and guidance development. Understanding the gaps between sites’ performance and the Criteria for Responsible production also allow the Copper Mark to identify areas where the industry as a whole can improve responsible production practices.

In the first year of implementation, one of the seven sites that received the Copper Mark “fully met” all applicable criteria. The other six “fully meet” the majority of the criteria and “partially meet” one or more criteria. These sites are now in the process of implementing an

improvement plan. Progress to implement the required improvements is regularly monitored by the Copper Mark. Once the sites are deemed to “fully meet” all criteria, they proceed to Step Five of the Assurance Process: Re-Assessment. Our standards and processes are regularly reviewed so the re-assessment cycle ensures that participants continue to meet the requirements as they are updated to reflect evolving international standards and expectations.

In total, assessments against the six sites resulted in findings related to seven of the 32 criteria. Criteria 31 on due diligence in mineral supply chains saw the most findings (5). Criteria 24 on community development and Criteria 15 on greenhouse gas emissions each were noted for improvement at two participating sites. These findings may be indicative of areas of focus for the industry: some of the most important issues related to sustainability moving forward are related to greenhouse gas emissions and community engagement. Mineral supply chain due diligence in accordance with the OECD Due Diligence Guidance is a long-standing expectation in the industries of tin, tantalum, tungsten, gold and most recently, cobalt. It will be required for any copper producer with registered LME brands by 2023, resulting in increased focus on this topic within the copper industry.

Figure 1: Copper Mark Assurance Process



Figure 2: “Partially meets” findings by issue

- Business Integrity
- Occupational Health and Safety
- Greenhouse Gas (GHG) Emissions
- Energy Consumption
- Community Development
- Indigenous Peoples’ Rights
- Due Diligence in Mineral Supply Chain

“We are pleased to participate in the Copper Mark to demonstrate our commitment to responsible production practices. This supports our overall Sustainability Strategy and underlines our approach that improving sustainability performance can only be achieved together with the participants along the supply chain.”

–Kirsten Kück: Sustainability Manager, Aurubis

## 2.3

### Including the Copper Value Chain: Copper Mark Partners

The Copper Mark welcomed six **partners** from the automotive, electronics and copper manufacturing industries in its first year of operations. Of those, representatives of 5 partner organisations actively engage in the Copper Mark Working Groups and / or participate in the Advisory Council.

Copper Mark Partners use or rely on copper in their business and have made a public commitment to the Copper Mark's vision and objectives. They have expressed a preference for copper producers assured to have responsible practices, recognising the importance of the sustainable production and sourcing of copper as part of the green transition.

Copper Mark Partners are publicly identified with their name and logo on our website [here](#).

Figure 3: Copper Mark Partners

- + APPLIED MATERIALS
- + INTEL
- + FORD MOTOR COMPANY
- + MM KEMBLA
- + GOOGLE
- + WIELAND GROUP

*"Ford is proud to be the first Copper Mark Partner, sending the market signal on the need for responsible production of copper aligned with our responsible sourcing strategy and our efforts to ensure that people and the planet are protected across our entire supply chain."*

—Sue Slaughter: Purchasing Material Cost & Supply Chain Sustainability Director, Ford Motor Company

*"We highly appreciate our partnership and professional dialogue with The Copper Mark. Sourcing responsibly produced metals is a top priority for the Wieland Group and we are glad to be part of the journey. We encourage our suppliers to start and accelerate their certification processes and are looking forward to get our own certification as soon as fabricators are applicable to receive The Copper Mark."*

—Andreas Torcka: Vice President Research, Development & Innovation, Wieland

## 2.4

### Program Development: Working Groups

The Copper Mark facilitates three working groups to guide the technical development of its programs. Copper producers, downstream actors, end-users, industry partners, civil society, investors, governmental organizations, market regulators, academics and subject-matter experts all contributed to the Copper Mark's three working groups in the first year. The Copper Mark publishes the terms of reference for each working group on its [website](#).

#### 2.4.1 DUE DILIGENCE WORKING GROUP

The Copper Mark Due Diligence Working Group is built on the shared objective of enabling copper, lead, nickel and zinc producers to demonstrate conformance with responsible sourcing requirements as well as demonstrate responsible production practices. Specifically, the objective is to provide a single framework for collaboration to enable copper, zinc, lead and nickel producers to comply with the responsible sourcing rules of the LME.

The working group's 31 participants represent 18 organisations including metal associations, the LME, the OECD and multi-metal producers.

Through March of 2021, the working group met 24 times. The Due Diligence Working Group achieved a first milestone on 9th February 2021 with the launch of the **Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc**. Read more about the Standard in Section 3.1.

#### 2.4.2 TECHNICAL WORKING GROUP

The Technical Working Group launched in October 2020. It serves to support the technical development, maintenance, and revision of the Copper Mark Assurance Framework.

The Technical Working Group includes 22 participants from industry and non-industry organisations.

The Technical Working Group met 11 times during the reporting period. In its first months, the Group defined the expanded scope of the Assurance Framework to include supply chain actors going forward and developed the **Chain of Custody Terms of Reference**.

#### 2.4.3 TRANSPARENCY WORKING GROUP

The third working group of the Copper Mark focuses on transparency. It includes 37 participants from industry, academia, governmental organisations and civil society.

The Transparency Working Group's main objectives are to enable the publication of measurable, validated data on the contributions of Copper Mark participants to the United Nations Sustainable Development Goals, to ensure the Copper Mark is recognised as a credible and transparent assurance framework, and to facilitate and encourage data-sharing on key metrics for the responsible production of copper.

The Transparency Working Group launched in January 2021 and met 3 times during the reporting period.

3.

# Programme

3.1

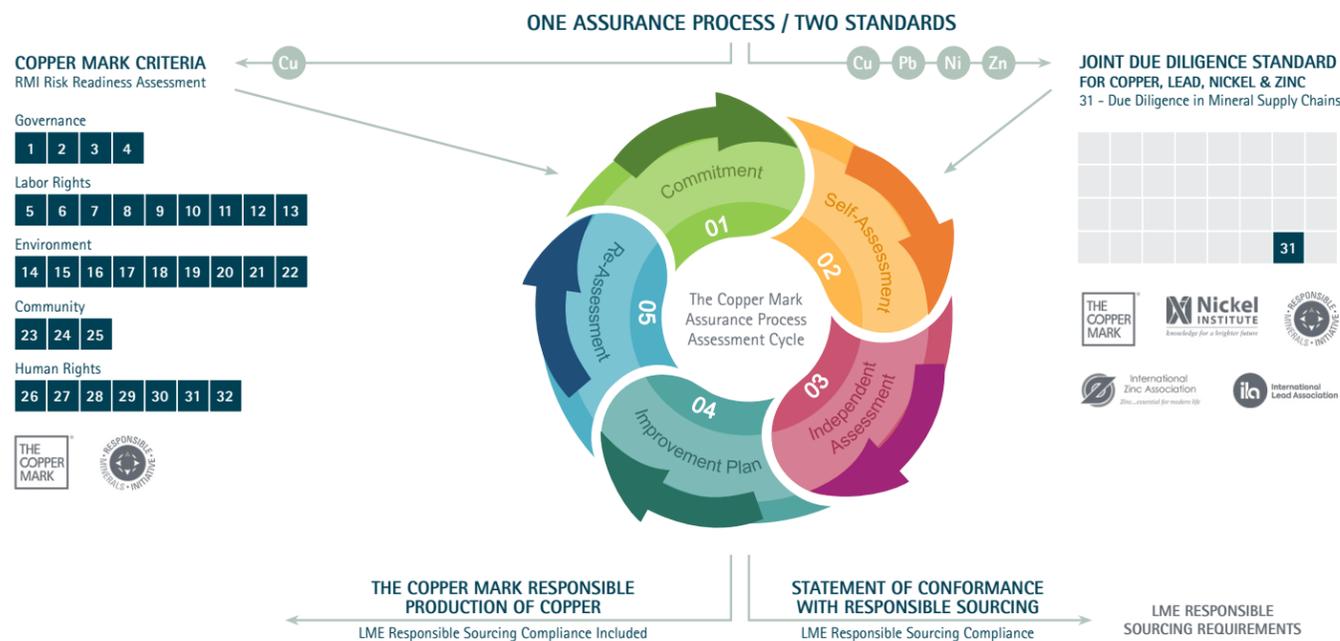
## Standards

The Copper Mark and its partners, with support from the OECD and the LME, issued **The Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc** on 9th February 2021. The development process was led by the Copper Mark and managed through the Due Diligence Working Group. It included one public consultation and one limited consultation, reinforced by educational webinars for LME brands, metal association members, and assessors. The Copper Mark publishes the results of the public consultation on its **website**.

The Joint Due Diligence Standard was developed as a tool for LME-listed copper, lead, nickel, and zinc brands to comply with LME's Responsible Sourcing Requirements. It provides a single set of requirements for all four metals and any other metals produced at the same site. The standard aims to reduce company costs and the administrative burden of compliance.

Assessments against the Joint Due Diligence Standard may be done using the existing infrastructure of the Copper Mark Assurance Process, either as part of the assessment against the Copper Mark Criteria for Responsible Production (specifically for Criterion 31: Mineral Supply Chain Due Diligence) or as a stand-alone assessment.

Figure 4: One Assurance Process, Two Standards – The Relationship between the Copper Mark Criteria for Responsible Production and the Joint Due Diligence Standard



*"The LME welcomes the multi-industry collaboration on the development of the Joint Standard. We recognize the potential value of the Joint Standard for LME Brands wishing to use an external standard to demonstrate conformance with our Responsible Sourcing Requirements."*

–Georgina Hallett: Chief Sustainability Officer, LME

3.2

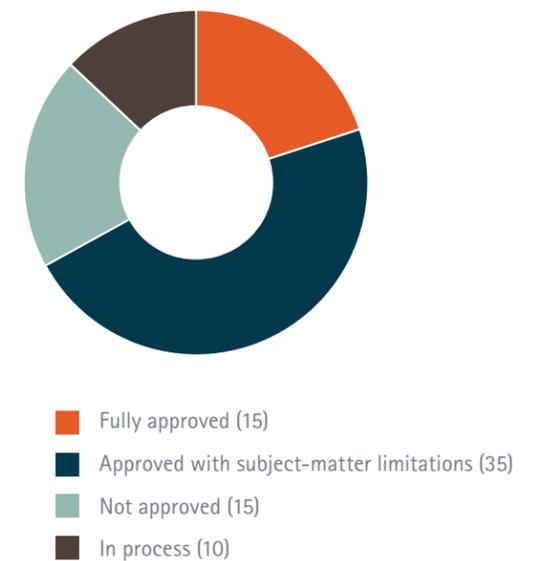
## Assurance

### 3.2.1 ASSESSOR MANAGEMENT

The independent third-party site assessments required by the Copper Mark Assurance Process are conducted by senior assessors with a strong track record. The Copper Mark reviews and approves each individual assessor, considering quality standards within the assessment firm as well as the individual's qualifications for experience and subject-matter expertise.

In the first year of implementation, the Copper Mark received applications from 16 assessment firms for a total of 75 individual assessor applications.

Figure 5: Assessor approval status



### 3.2.2 RECOGNITION

The Copper Mark Assurance Process recognises existing systems that have comparable standards and assurance requirements. Recognition of other systems is essential to avoid redundancy and promote responsible production practices across the copper industry. **The Copper Mark Recognition Process** defines the criteria, process, and timelines to recognise existing systems.

The **RRA-Copper Mark Equivalency Matrix** complements the Recognition Process. It shows 11 existing systems that are considered equivalent for some or all of the Risk Readiness Assessment Criteria.

In the first year of operations, the Copper Mark was recognised by the following existing systems as being partially or fully equivalent:

1. **The International Council on Mining and Minerals;** and
2. **The US Green Business Council Company Standards for the Social Equity Pilot Credit.**

Figure 6: A Snippet of The RRA-Copper Mark Equivalency Matrix

ISSUE AREA	INDUSTRY NORM	Aluminium Stewardship Initiative (ASI)	The Copper Mark Risk Readiness Assessment (2019)	Initiative for Responsible Mining Assurance (IRMA) Standard for Responsible Mining (2018)	International Council on Mining & Metals (ICMM) Performance Expectations (2019)	International Tin Association (ITA) Code of Conduct (2019)	ISO 14001 Environmental Management Systems (2015)*	ISO 45001 Occupational Health and Safety Management Systems (2018)	London Bullion Market Association (LBMA) Responsible Gold Guidance V3 (2018)	Mining Association of Canada (MAC) Twelve Sustainable Mining (TSM) Guiding Principles (2019)**	World Gold Council Responsible Gold Mining Principles (RGMPP) (2019)	International Finance Corporation (IFC) Performance Standards***
1. Legal Compliance	To implement a management system that ensures compliance with all national legal requirements, including national obligations under international law.											
2. Business Integrity	To implement a management system that prohibits and effectively prevents bribery (including facilitation payments), corruption and anti-competitive behavior.											
3. Stakeholder Engagement	To carry out stakeholder mapping, and to implement an engagement plan, and to establish a grievance mechanism.											
4. Business Relationships	To promote responsible business practices with significant business partners, including suppliers.											

- Equivalent:** where the scope and intent (and therefore likely outcomes) of the requirements are the same, even if there are minor differences in the details of the requirements and/or the language used.
- Not fully equivalent:** where the scope and intent (and therefore the likely outcomes) of the requirement are not the same. Similarly, issues that would generally be expected to be considered within the scope of the VSS but which are not addressed in the VSS are not considered as equivalent to the industry norm.
- Not applicable:** requirements that are beyond the scope of the VSS because the VSS was not designed with those issues in mind, or those issues that are specific to a type of metal or type of production process not included in the scope of the VSS are considered not applicable.

### 3.3

## Capacity Building

The Copper Mark developed and launched seven training modules in the first year of operations. Training is primarily intended for participants and approved assessors of the Copper Mark. The modules were divided into two categories and published on the Copper Mark **website**:

1. Process-oriented training that explains the Copper Mark Assurance Process.
2. Criteria-oriented training that explains in more depth each of the 32 Criteria for Responsible Production. These are developed jointly with the RMI. The first three modules were published and cover Greenhouse Gas Emissions, Freshwater Management and Human Rights.

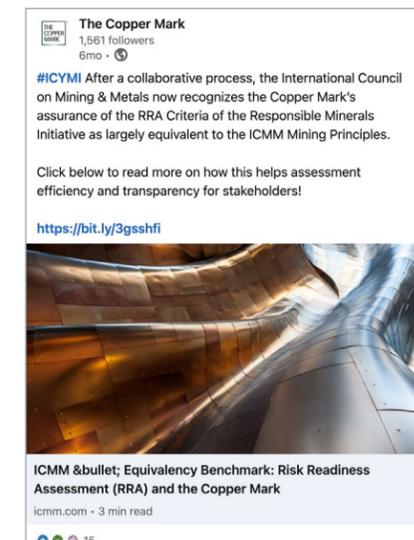
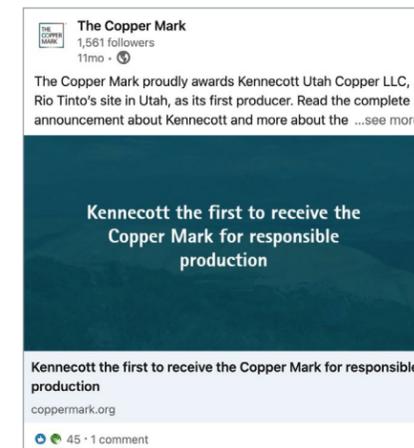
### 4.

## Stakeholder Engagement

In the first year of operations, the Copper Mark focused on raising awareness and educating the public on responsible copper production.

The Copper Mark held one-on-one conversations with over 200 individuals or organisations. It formalised the process for stakeholders to engage, conducted stakeholder mapping and held tailored onboarding meetings for copper producers, partners, and advisory council participants.

Despite the challenge of travel due to the global pandemic, the Copper Mark spent considerable efforts virtually engaging with stakeholders. The Copper Mark co-hosted two webinars, spoke at 11 virtual public events and presented at 6 private events such as committees, working groups and task forces. The Copper Mark reached more than 500 people through these events.



## Get in Touch!

FOLLOW US ON SOCIAL MEDIA:

- @CopperMark
- @thecoppermark
- Subscribe to our newsletter
- Email us at [info@coppermark.org](mailto:info@coppermark.org)

Check our Standards Development page for public consultations

*"Rio Tinto is honoured to have been the first to be awarded the Copper Mark at our Kennecott Utah Copper operation. Following that our Oyu Tolgoi operation in Mongolia was the second operation in the world to receive the Copper Mark."*

*The Copper Mark demonstrates our Rio-wide commitment to responsible production and transparency. It allows our customers to purchase copper from operations that have been independently assessed as meeting the highest environmental, social and governance standards, responding to the growing expectations of consumers around the world for low carbon and sustainable supply chains.*

*We are pleased to see the Copper Mark being embraced by the industry and along the value chain. We look forward to continuing to work with Copper Mark and advancing the role copper continues to play as a key material in a sustainable future."*

—Jason Lee: Principal Advisor, Product Stewardship, Copper, Rio Tinto

5.

## Driving Impact

The Copper Mark established its Theory of Change to clearly articulate our desired impact, short-term and long-term outcomes. It is complemented by a Monitoring and Evaluation System that was under development during the period covered by this report.

Figure 7: The Copper Mark Theory of Change



6.

## Grievance

The Copper Mark **Grievance Mechanism** was developed and launched in December 2020. The objective of the Grievance Mechanism is 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 a remedy, in particular on potential violations of rights.

In the first reporting period, the Copper Mark received one grievance.

7.

## Related Parties & Finance

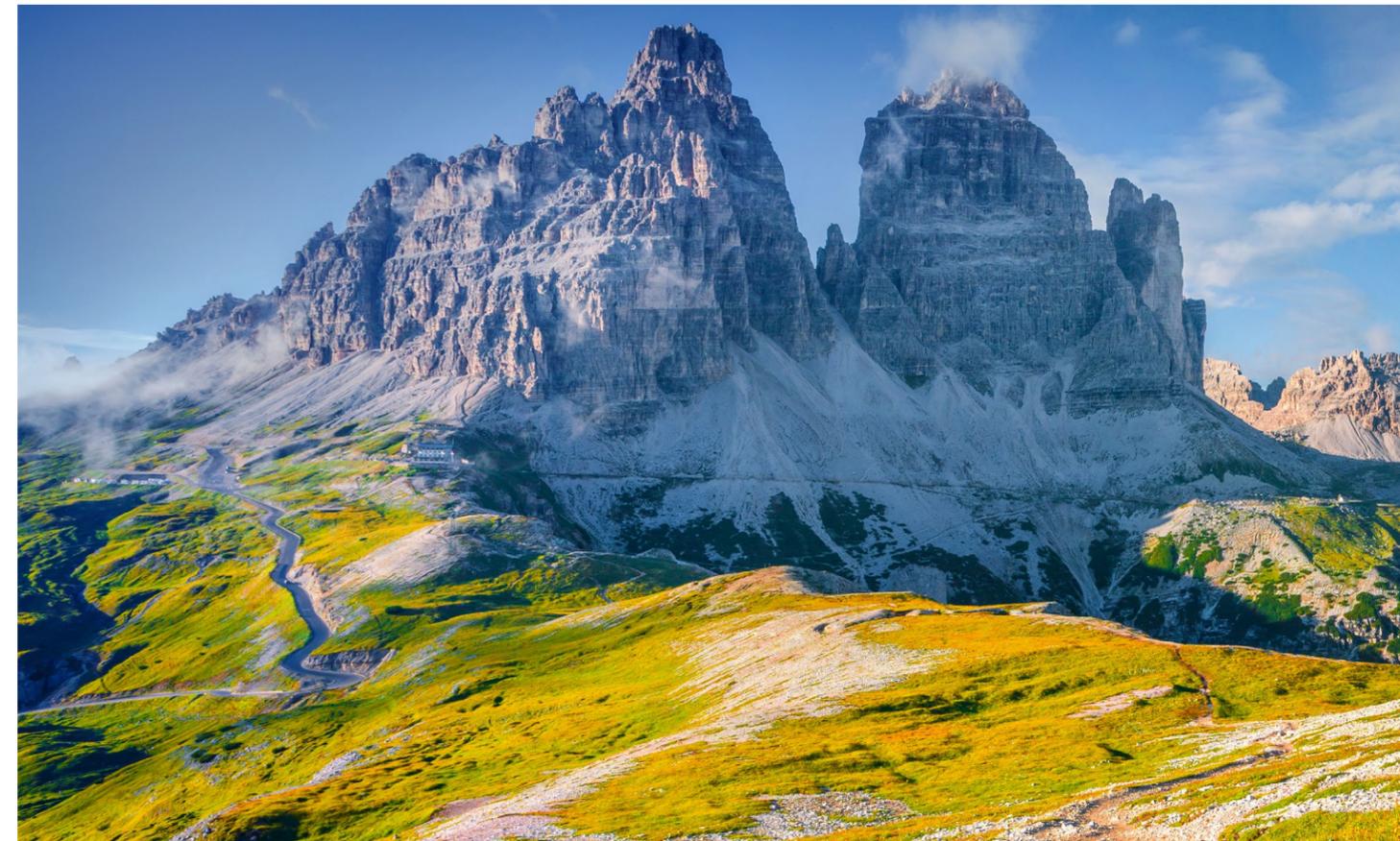
During the first year of operation, the ICA provided financial and technical support to assist the set up and development of the Copper Mark.

The ICA brings together the copper industry and its partners to make a positive contribution to the United Nations Sustainable Development Goals and support markets for copper. As the leading voice of the copper industry, ICA's membership and its Copper Alliance® partners believe it is their ethical and commercial obligation to ensure responsible business practices and to track and share the industry's progress.

Because of this commitment, ICA and its members developed the Copper Mark. While the Copper Mark remains a separate, independent entity, ICA and its members continue to support the organisation financially because they acknowledge the importance of having a credible organisation such as the Copper Mark assessing copper producers. In recognition of the financial and technical support provided, the ICA holds a seat on the Board of Directors of the Copper Mark.

The Copper Mark's business model is based on annual fees paid by participants. The fee schedule is published [here](#).

The Copper Mark publishes its annual financial report on its [website](#).





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