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# **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 across the Copper Mark’s principal covered metals to advance mineral value chain due diligence and support regulatory compliance for sites using the Copper Mark assurance framework..

## Overview

In 2020, the DD Working Group was set up to develop the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc (herein referred to as “the JDD”). The JDD was first adopted and published in early 2021, revised in 2022 and then again in 2023 to include producers of molybdenum. It is co-owned by the Copper Mark, the International Lead Association, the International Molybdenum Association, the International Zinc Association, the Nickel Institute and the Responsible Minerals Initiative (jointly referred to as “the partner organizations”).

Since 2020, market and regulatory expectations regarding value chain due diligence continue to evolve. The Copper Mark seeks to re-convene the DD working group to address emerging issues related to value chain due diligence.

## Roles and Responsibilities

The DD working group serves as technical body to support the development and revision of the standards, supporting documents, tools and guidance provided by the Copper Mark on value chain due diligence.

Its role is to ensure such standards, processes and procedures are aligned with high quality and best practices in a way that is verifiable, promotes the Copper Mark’s credibility and acceptance by its stakeholders and supports regulatory compliance for their users.

The Copper Mark has identified the following main areas for the DD Working Group to focus on:

- Act as technical body for the review and revision of the JDD and supporting documents, in collaboration with all partner organizations and taking into account:
  - Results of the OECD Alignment Assessment;
  - Market expectations;
  - Regulatory requirements, specifically requirements necessary for the JDD to be formally recognized by government authorities;
  - Revisions of other Copper Mark standards.
- Support the development of expectations regarding value chain due diligence for recycled minerals and metals:
  - Review and where appropriate, alignment with existing standards and definitions on recycled minerals and metals;
  - Development of, and where appropriate alignment with existing efforts on, due diligence expectations for recycled minerals and metals;

- As appropriate, development of tools and / or guidance for participants.
- Value chain due diligence for environmental risks:
  - Review and assess the impact on the JDD and the Copper Mark Assurance Framework of upcoming market and regulatory requirements regarding due diligence on environmental risks;
  - As required, act as technical body in the revision of the JDD and / or other Copper Mark standards to incorporate market and regulatory requirements;
  - As appropriate, development of tools and / or guidance for participants.

The DD working group will support the Copper Mark staff by:

- Developing and implementing a workplan with deliverables, timelines, and required resources to meet the objectives defined for each of the main areas identified above.
- As appropriate and required, form sub-teams based on technical expertise and interest to work on specific issues and / or deliverables.
- The DD working group may identify additional issues and deliverables and make a recommendation to the Copper Mark Advisory Council to add these to the scope of its work.

The DD working group liaises with other working groups of the Copper Mark as appropriate.

## Due Diligence Working Group Membership

### Composition

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

- The Copper Mark
- Partner organizations
- London Metal Exchange
- OECD
- Other interested metal associations
- Civil Society Organizations
- Academia
- 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 DD working group by:

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

## Activity Plan and Decision Making

The DD working group reports to the Copper Mark Advisory Council. The Advisory Council defines the activity plan for the DD working group, including the overall objectives and scope of each major workstream to ensure these are aligned with the mission and vision of the Copper Mark.

The DD working group seeks to develop deliverables that meet the expectations of its participants. Deliverables developed within the scope of the workstreams are adopted by the DD working group by consensus, where consensus refers to the absence of any formal objections by participants.

In the following cases, decisions will be escalated to the Advisory Council and / or the Board of Directors:

- DD working group participants are unable to reach a consensus.
- Deliverables impact the Copper Mark's strategy to achieve the organization's mission and vision.
- Deliverables results in financial, legal and / or reputational impacts on the organization (require escalation to the Board of Directors).

Once agreed by the DD working group, deliverables will be submitted to the Advisory Council, which will then make recommendations to the Board for approval, if required.

**Note: Revisions to the JDD require the approval of each partner organization. The revised JDD 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 JDD, 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.