

The Copper Mark Advisory Council Terms of Reference

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Objective

The Copper Mark is an industry initiative that is informed by stakeholders outside of the copper industry. The Copper Mark Board of Directors (herein “the Board”) recognise that to successfully inform and implement the vision and mission of the organisation it is vital to appropriately engage and consider the perspectives of diverse stakeholders. Over time, the Copper Mark seeks to establish a multi-stakeholder governance structure.

To facilitate stakeholder outreach and engagement, the Copper Mark Advisory Council (herein “the Advisory Council”) has been established as an advisory body to the Board. The purpose of the Advisory Council is to advise the Board by providing recommendations on the implementation of the Copper Mark’s vision and mission.

Overview

The vision of the Copper Mark is for copper supply chain actors with the Copper Mark to be recognized by the diverse set of stakeholders engaged with the industry (their employees, neighbors, customers, industry partners, investors and civil society) as having adopted internationally-accepted responsible operating practices and making significant contributions to the UN Sustainable Development Goals.

To help achieve this goal, it is intended that the Advisory Council plays an instrumental role in ensuring the Copper Mark’s assurance framework is recognized as a credible way for companies to meet current and emerging responsible production expectations of regulators, their customers, investors and civil society stakeholders.

The Advisory Council members bring their experience as well as their practical expertise working with or relevant to the mining, supply chain or consumer sectors related to the multi-metals covered by the Copper Mark.

Roles and Responsibilities

The Advisory Council’s shall advise the Board on the Copper Mark’s program development and implementation, its criteria for responsible production as well as its organizational development.

The Advisory Council’s responsibilities include, but are not limited to:

Organizational development:

- Advise the Board on the implementation of the vision and mission of the Copper Mark, taking into account evolving and emerging expectations of market participants including customers, investors, regulators and civil society regarding responsible production and responsible sourcing practices;
- Provide input to the Copper Mark on the strategy to achieve its vision and mission;
- Identify opportunities for continuous improvement to strengthen the Copper Mark organization.

Criteria for responsible production:

- Advise the Board on current and / or emerging issues related to responsible production practices that are of strategic importance to the Copper Mark including, but not limited to:
 - Climate Risk
 - Water Management
 - Tailings Management
 - Human Rights Due Diligence
 - Indigenous Peoples Rights
 - Traceability and/or Chain of Custody
 - Risk Management issues for mines, smelters, recyclers and fabricators

Program development and implementation:

- Provide recommendations to the Board regarding the design and implementation of the Copper Mark Assurance Framework so as to ensure the Copper Mark is recognized by all key stakeholders as a credible and transparent framework; from miner to final consumer
- Advise the Board on the design, strategic alignment, roll out and implementation of additional program elements envisaged by the Copper Mark including, but not limited to:
 - Due Diligence Standard
 - Chain of custody system
 - Addition of fabricators to the Copper Mark assurance framework
 - Inclusion of recycled material
 - Integration of additional SDGs
 - Multi-metal approach
- Recommend the establishment of working groups of the Advisory Council to the Board;
- Delegate tasks to working groups and oversee their implementation.

Advisory Council Participation

Composition

The Copper Mark seeks to ensure a diverse composition of the Advisory Council across different impacted stakeholder groups as well as taking into account other diversity criteria. The following stakeholders are considered for the Advisory Council:

Industry:

- Producers (miners / smelters / refiners)
- Trading companies
- Fabricators
- Recyclers
- Downstream users

Non-industry:

- Civil Society Organizations
- Academia
- Financial Institutions
- Metal Exchanges
- Governmental Organizations

Eligibility, Renewal and Term of Participation

Advisory Council participants shall be appointed by the Board and serve in their individual capacity for a three (3) year term.

New participants for the Advisory Council are selected using the following process:

- The Copper Mark will announce open seats twice a year through standard communication channels (e.g. website, mailing, social media).
- The selection process is open to any interested individual. For industry seats, preference will be given to individuals from organizations that are already Participants or Partners of the Copper Mark.
- The announcement will include, at a minimum:
 - The requirements and timelines of the selection process
 - The Terms of Reference of the Advisory Council
 - A description of the profile(s) sought
 - Any other information as relevant
- Applications received will be reviewed and shortlisted by the Copper Mark staff, using the following criteria:
 - Degree to which the candidate meets the profile
 - Demonstrated commitment to open and constructive engagement
 - Ability to devote time and effort to participating in the work of the Advisory Council
 - Diversity across the Advisory Council membership, including but not limited to geography, gender and age group
 - For industry participants, demonstrated commitment to responsible production, sourcing and recycling of metal
- Shortlisted applications will be shared with the Advisory Council for review and input.
- Based on the Advisory Council input staff may conduct interviews with shortlisted candidates.
- Selected candidates will be presented to the Board for appointment.

The Board's intention is to ensure rotation of representation at the Advisory Council. Individual appointments may be extended for another three-year term, subject to approval of the Board. The Board may, in exceptional circumstances, exceed the six years for a limited period with a view to ensuring good Advisory Council succession and continuity.

For the renewal of mandates, the Copper Mark will use the following process:

- Staff will confirm interest of the participant to renew his / her mandate.
- Staff presents the renewal for the Board for approval.

The Board will appoint one industry and one non-industry representative to chair and serve as alternate chair to the Advisory Council. The chair and alternate chair will serve for a two (2) year term, renewable once.

Participant Contributions

Participants are expected to contribute to the Advisory Council by:

- Attending meetings via teleconference;

- Attending up to two (2) in-person meetings per year;
- Reviewing materials prepared by the Copper Mark working groups or staff in advance or in between meetings of the Advisory Council;
- Provide input and feedback on the materials prepared by the Copper Mark working groups or staff in writing and / or during the Advisory Council meetings;
- Raising awareness of the Copper Mark among their organizations and networks, where appropriate;
- Identify and bring to the attention of the Copper Mark staff any opportunities for improvement for the Copper Mark organization and its programs.

Decision Making & Reporting

The Advisory Council reports to the Board. It sets its own agenda following direction of the Board.

The Advisory Council discusses and endorses proposals prepared by staff for approval by the Board. Advisory Council participants may bring forward proposals. The proposals are prepared including, where appropriate, input from competent technical bodies, public consultations or other forms of stakeholder engagement. The Advisory Council shall seek agreement from all participants to endorse a proposal. Where agreement cannot be reached, the concerns expressed by participants will be noted and reported to the Board. Participants that are unable to attend a meeting shall raise any objections before the meeting, which will be recorded and discussed during the meeting.

Proposals endorsed by the Advisory Council and recommendations with a material impact on the Copper Mark organization or programs will be presented by the Copper Mark staff to the Board for adoption. The Board will record all proposals and recommendations received from the Advisory Council. It will inform the Advisory Council of its decision.

The chair or alternate chair of the Advisory Council are invited as observers to attend Board meetings for agenda items related to the endorsements and any recommendations for continuous improvement discussed in the Advisory Council. Members of the Board may periodically attend the Advisory Council as observers to facilitate and strengthen the interactions between the two bodies.

Recommendations of the Advisory Council that do not present material impacts to the Copper Mark organization or programs will be evaluated and, where feasible and appropriate, implemented by the Copper Mark staff.

Working Groups

The Advisory Council may propose to the Board the formation of working groups to further develop the Copper Mark program. Such proposals shall include:

- The proposed composition of the working group;
- The working group's roles and responsibilities;
- Expected deliverables of the working group;
- An estimated timeline for the working group to develop the deliverables.

Working groups may be composed of Advisory Council participants as well as any other stakeholders. Working groups will be chaired by the Copper Mark staff or an Advisory Council participant.

Deliverables of the working groups are presented to the Advisory Council.

During the review of draft deliverables, the Advisory Council:

- Ensures deliverables are aligned with the strategy, vision and mission of the Copper Mark.
- Considers the evolving and emerging expectations of market participants including customers, investors, regulators and civil society regarding responsible production and responsible sourcing practices.
- Provides technical feedback as appropriate and in accordance with participant's subject matter expertise.

The Advisory Council endorses final deliverables to be submitted to the Board for adoption.

Administration

The working language of the Copper Mark Advisory Council is English. Minutes will be taken as a true record of each meeting.

Compensation

For **non-industry** Advisory Council participants, the Copper Mark may pay the following:

- Costs incurred to attend Advisory Council in-person meetings will be reimbursed for lowest economy class airfare(return) and accommodation, up to a maximum of US\$1'500 per person, per meeting.
- An honorarium of US\$3'000 per person, per year of service. Advisory Council participants may decide to waive the honorarium if their time is otherwise compensated.

Amendments to the Terms of Reference

The Copper Mark will review the Terms of Reference with the Advisory Council on a regular basis, but no less frequent than every two (2) years.