



## The Copper Mark Summary Report

### Participant Information

Name of the Site	Grupo Essex Furukawa de Mexico, S. de R.L. de C.V: Torreon, Coahuila, Mexico (Torreon)
Unique identifier provided by the Copper Mark	P0042
Address	Blvd. San Pedro 110 Fracc. Ferropuerto Laguna, Torreon, Coahuila
Country of Operation	México
Copper products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper magnet wire
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Copper
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	Copper
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	NA
Types of operations included in scope	
Mining	<input type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input type="checkbox"/>
Smelting	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Fabrication	<input checked="" type="checkbox"/>
Other ( <i>please explain</i> )	
Infrastructure owned or controlled by the site and included in scope	
Roads	<input type="checkbox"/>

Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other ( <i>please explain</i> )	

### Equivalent Systems

The following equivalent systems were applied:

*Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the Copper Mark Recognition Process.*

Equivalent System	Review Process	Criteria Covered by Equivalency
N/A	N/A	N/A

### Independent Site Assessment Information

Name of the Lead Assessor	Alejandro López
Name of the Assessment Firm (if applicable)	Arche Advisors
Date(s) of Assessment Activities	Onsite assessment: 6-8 December 2022 Follow up assessment: 4 <sup>th</sup> April 2024
Assessment Period	November 2021 – October 2022 March 2023 –March 2024
Summary of the Assessment Methodology	<p>The assessment methodology included data gathering through site visits to the facility and community; observation, worker and management interviews, and document review of policies, procedures, and records related to each of the specific Copper Mark criteria. A sampling approach was used related to document selection and worker selection, including contractor agencies.</p> <p>Direct employees: 301 Contractors: 23</p> <p>Follow up assessment:</p> <p>Copper Mark assessment &amp; Joint Due Diligence. The assessment methodology included data gathering through site visits to the mine; observation, worker and management interviews, and document review of policies, procedures, and records related to each of the specific Copper Mark criteria in scope of this visit. A sampling approach was used related to document selection and worker selection, including contractor agencies.</p> <p>13 Interviews</p>

Summary of the Assessment Activities	<p>Day 1:</p> <ul style="list-style-type: none"> <li>• Opening meeting</li> <li>• Site tour</li> <li>• Management interviews for criteria 1, 2, 4, 13, 26, 27</li> <li>• Management interviews for criteria 5, 6, 7, 8, 9, 10, 32</li> <li>• Management interviews for criteria 15, 17, 21, 12</li> <li>• Management interviews for criteria 28, 29, 30</li> <li>• Management interviews for criteria 14, 15, 16, 17, 18, 20</li> </ul> <p>Day 2:</p> <ul style="list-style-type: none"> <li>• Management interviews for criterion 31</li> <li>• Employee and contractor interviews</li> <li>• Union representative interviews</li> </ul> <p>Day 3:</p> <ul style="list-style-type: none"> <li>• Resolve pending questions / review.</li> <li>• Closing meeting</li> </ul>
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### Summary of Findings

Criterion	Rating	Comments
1. Legal Compliance	Fully meets	<p>Torreón has a process to identify, monitor, assess and implement new laws, and changes in current laws that affect the company’s operations from corporate level to local level. It involves regular communication with various departments as well as external counsel. There is a matrix that includes all legal requirements, including customs and taxes.</p> <p>Business License, and permits for environmental, health and safety, tax registration, and social security registrations are in place and updated.</p> <p>This was confirmed through interviews with senior management present at the site and virtually at corporate level to confirm the legal compliance process in place for this facility. Documents were reviewed by the auditor</p>

		<p>related to legal compliance process in terms of policies, procedures, and legal compliance requirements for this site. Employees were interviewed in order to know their understanding of the applicable laws related to them.</p>
2. Business Integrity	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company has in place business integrity policies that include the commitments of prohibition and prevention of bribery, including facilitation payments), corruption and anti-competitive behavior. These are supported by communication to employees and a grievance mechanism.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> <li>• There is no specific training for current employees in regards code of ethics policies since the policies have been updated in March 2022, and not all current employees are aware of the updated code of ethics.</li> </ul> <p>This was confirmed through interviews with management representatives at corporate and facility level respectively regarding the implementation of business integrity policies and practices. Documents provided prior and during the assessment were reviewed. Employees were interviewed onsite regarding their knowledge and understanding of business integrity in their scope. At the site visit, the ethics policy commitments were observed as posted in the workplace.</p> <p>During the follow-up assessment in April 2024, it was verified that the site conducted training sessions with employees to communicate the updated Code of Ethics during January and February 2024. This was confirmed through a review of training records and interviews with management.</p>
3. Stakeholder Engagement	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>According to the company's ISO 14001-2015 certification, there is an assessment that includes the stakeholders mapping, including a description of stakeholders internally and externally. Internally: Management employees, shareholders. External: Customers, suppliers,</p>

		<p>service providers, government organizations, neighbors.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• Even though the stakeholders are described by type, there is no specific external stakeholder’s identification by names or contacts.</li> <li>• There is no stakeholder engagement plan implemented.</li> </ul> <p>This was confirmed through interviews with management at facility level regarding stakeholder engagement activities, and a review of available documents.</p> <p>During the follow up assessment the assessor verified that there is a stakeholder engagement plan at both corporate and local level, and that it is being implemented.</p> <p>This was confirmed by a review of the plan, interviews with management, and review of records of stakeholder engagement activities.</p>
<p>4. Business Relationships</p>	<p>Fully meets</p>	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company has policies and procedures in place to manage business partners at the corporate and site level. Business partners are assessed at corporate level based on the type of material input. There are procedures to manage suppliers in place, essentially for quality requirements perspective. The procedure does not contain formal due diligence requirements for suppliers. There is a basic KYC process for suppliers.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• The agreements with suppliers do not contain enforcement language to also respect and comply with standard business of conduct requirements. This includes material (copper) suppliers.</li> <li>• There are no due diligence or risk-based monitoring practices in place with business partners.</li> <li>• The contractors at factory level that provide the services of canteen, cleaning, security, and transportation do not have in place specific commitments to uphold responsible business practices that include expectations regarding wages, hours,</li> </ul>

		<p>forced labor, child labor, and no discrimination.</p> <p>This was confirmed through interviews with management at corporate and local level regarding business relations policies, process, and practices to engage business partners in responsible business better practices. It included interviews with corporate level staff managing suppliers. This is also confirmed through a review of documents including supplier files, the code of conduct, sampling from the purchasing software files.</p> <p>During the follow-up assessment, it was confirmed that agreements with suppliers include commitments to adhering to the policies related to wages, working hours, forced labor, non-discrimination and others.</p> <p>Local vendors were confirmed to be informed about security and CTPAT policies.</p> <p>Due diligence assessments and ESG monitoring and corrective action management are in place for suppliers.</p> <p>This was confirmed by interviews with management, a review of samples of communications including letters signed by suppliers, and a review of the vendor due diligence system.</p> <p>The reviewed evidence indicates that the corrective actions have been fully implemented.</p>
5. Child Labor	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company has in place a Standards of Business Conduct that establishes the prohibition of child labor commitment of the company. This is supported by policies in place to respect child labor provisions.</p> <ul style="list-style-type: none"> <li>• Agreements with labor agents that provide contract workers to the site do not contain requirements related to the prohibition of child labor. Labor agents are not provided with the Human Rights Policy and Standards of Business Conduct.</li> </ul> <p>This is confirmed through a visit to the workplace areas in which it was observed that there are no young workers present with restrictions for work in an industrial site or</p>

		<p>hazardous activities; a review of the company’s corporate policies in regards commitment to respect the prohibition of worst forms of child labor; and interviews with employees to confirm no historic child labor practices have been observed.</p> <p>During the follow up assessment, it was confirmed that policies for suppliers and vendors related to child labor are implemented.</p> <p>This was confirmed by a review of letters signed by suppliers committing to adhering to the policies, including the child labor policy, interviews with management and site observations in which no child labor or young workers’ practices were present.</p>
6. Forced Labor	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company has a Human Rights Policy and Standard of Business Conduct that state the company’s commitment for prohibition of forced, involuntary or child labor, including prison, bonded, indentured, human trafficked or otherwise. Employees confirm that they are working in the company by their own will.</p> <p>There are no instances of involuntary labor. Overtime conducted is requested on a voluntary basis.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• The individual employment contract implemented states that the employee is mandated to do overtime as required.</li> <li>• No copy of the individual labor contract is provided to employees. The contract is implemented for 90 days as determined contract. No continuity contract is issued.</li> <li>• There are individual contracts that are expired, and no new contract is issued.</li> <li>• The individual contract is missing the CURP, RFC, and beneficiaries (which are legally required).</li> <li>• There is no communication of the Human Rights Policy or standards of business conduct to labor agents that provide contract workers to the site.</li> </ul>

		<ul style="list-style-type: none"> <li>• There is no evidence of commitment to comply with the Human Rights Policy and standards of business conduct by the labor agents.</li> </ul> <p>This was confirmed through a review of the policies and documented related to prohibition of forced labor in the facility; interviews with management regarding the implementation of the standard of business conduct with employees; interviews with workers to confirm the practices of voluntary labor; and a visit to the work site in which no forced labor practices were observed.</p> <p>During the follow up assessment, it was verified that policies for suppliers and vendors related to child labor are implemented, and that mandatory overtime clauses have been removed from employment contracts.</p> <p>This was confirmed by a review of letters signed by suppliers committing to adhere to the policies, including the forced labor policy, interviews with management, interviews with workers to confirm the change in employment contracts, and site observations in which no forced labor practices were present.</p>
<p>7. Freedom of Association and Collective Bargaining</p>	<p>Fully meets</p>	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company has a corporate policy on human rights that includes the right to freedom of association and collective bargaining. There is one union present at the site, and it holds a collective bargaining agreement. Employees are aware of their right to freedom of association.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• Not all workers are aware of the union’s role and functions.</li> <li>• Employees do not directly elect the union representative.</li> <li>• The CBA includes an exclusion clause, referring the art. 395 of Federal Labor Law, that all employees that re-sign or are expelled from the union are to be separated by the company. The clause states that vacancies of new creation, the company can cover it freely with the</li> </ul>



		<p>condition to affiliate them to the union within the next 8 days. This is against Federal Labor Law.</p> <p>This was confirmed through a review of documents including the corporate policy on human rights, the collective bargain agreement agreed with the union; interviews with employees to confirm the company’s practices in regards freedom of Association; a facility walkthrough indicating no restriction of freedom of association policy; and interviews with management regarding the freedom of association commitment by the company.</p> <p>During the follow-up assessment, it was confirmed that workers are trained on and aware of the union’s role and functions; employees directly elect the union representative by department, and the CBA has been revised to remove the clause against Federal Labor Law.</p> <p>This was confirmed through a review of the CBA, witness to its publication, review of training materials and related communications, site observations indicating no restrictions on freedom of association, interviews with management, and interviews with workers to confirm their knowledge and understanding of the freedom of association information and changes.</p>
8. Discrimination	Fully meets	<p>At the local and corporate level there is a policy in place to protect against discrimination. It is supported by training, a grievance mechanism, and public posting of non-discrimination policies in the workplace.</p> <p>This was confirmed through a review of documents including the human rights policy, standards for business conduct, and code of ethics; interviews with management regarding the non-discrimination policies implemented; private interviews with employees to understand the implementation of the non-discrimination policies and the related grievance procedure; and facility walkthrough in which no evidence of discrimination practices were observed.</p>
9. Gender Equality	Fully meets	The company has implemented policies that do not indicate a gender specific preference for

		<p>hiring, employment, training, or promotion. Currently, there are 261 male workers, and 40 female workers working in the facility. Reportedly, there are 50% female employees in administrative positions and management.</p> <p>Payroll documents reviewed demonstrate no difference in pay between female and male workers in the same job position, level of skill, and seniority. Employees are aware of the gender equality commitment and do not perceive a preference by management in hiring males or females.</p> <p>This was confirmed through a review of the policies and documents related to gender equality; interviews with both female and male workers to confirm the company’s practices regarding gender equality; interviews with management about the gender equality policies and practices; and facility walkthrough in which workplace practices on gender equality were observed.</p>
10. Working Hours	Partially meets	<p>This criterion remains partially meets as of the follow up assessment in April 2024.</p> <p>Torreon has policies and procedures in place to manage working hours. Employees complete shifts in 6 days of work, 2 days of rest. The facility provides one 45-minute meal break. Employees conduct 48, 45, 42 regular hours in one week, and overtime is conducted on a regular basis. Employees report resting at least one or two days per week. There is an electronic time record system available to register all hours worked including overtime.</p> <p>One gap was identified:</p> <ul style="list-style-type: none"> <li>Two of the timecards sampled demonstrated more than 60-hour work weeks.</li> </ul> <p>This was confirmed through a review of documents including the collective bargaining agreement, employee handbook, working hours electronic records indicating regular hours and overtime hours conducted; interviews with employees confirming the working hours and overtime hours practices; interviews with management; facility walkthrough in which the electronic time system implemented to register the in and out times at the facility was observed.</p>

		<p>During the follow-up assessment, it was verified that working hours and overtime practices are implemented. This was confirmed by review of electronic records, the collective bargaining agreement, and interviews with management and workers.</p> <p>However, the following gaps remain:</p> <ul style="list-style-type: none"> <li>• There is no policy limiting the number of overtime hours to ensure no more than 60 hours are worked per week.</li> <li>• The system to implement such a policy is not effective, since two of the three sampled working hours indicated work weeks of more than 60 hours.</li> </ul>
11. Remuneration	Fully meets	<p>Torreón has a system in place to provide remuneration well above the minimum wage of the State of operations. Overtime compensation is calculated 200% of the hourly wage for the first 9 overtime hours, and 300% of the hourly wage for overtime hours above 9 in one week, which complies with the federal regulation. There are no illegal deductions from pay. The employees interviewed reported receiving a weekly pay slip from the company to confirm their earnings and deductions. Employees are paid by check on a weekly basis. Deductions are related to taxes, and insurance. Employees enjoy annual leave according to the law.</p> <p>This was confirmed through a review of documents including the collective bargaining agreement, a sampling of pay slips, and wage statements; interviews with employees individually to confirm their remuneration process; interviews with management; and a facility walkthrough in which posting of the state’s minimum wage was observed.</p>
12. Occupational Health and Safety	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>Torreón has occupational health and safety documents and registers, supported by training and regular review of health and safety practices. The workplace is equipped with the appropriate health and safety equipment, warnings, and emergency gear.</p> <p>While core elements are in place, the following gap was identified:</p>

		<ul style="list-style-type: none"> <li>• There is no system in place functionally equivalent to ISO 45001.</li> <li>• While there are manual emergency alarms throughout, there are no smoke/fire detectors in the production areas.</li> </ul> <p>This was confirmed through a health and safety inspection walkthrough of the facility; a review of the occupational risk assessment and contingency plan; interviews with staff in charge of occupational safety practices; interviews with employees to confirm the occupational health and safety practices at the facility as well as the training activities provided.</p> <p>During the follow-up assessment, it was verified that a system equivalent to ISO 45001 is in place and that the identified issue related to smoke and fire detectors has been resolved.</p> <p>This was confirmed through a review of policies, procedures, risk assessments, and controls; a review of licenses, permits, maintenance records, and training; interviews with management; facility walkthrough; and interviews with workers.</p>
<p>13. Grievance Mechanism</p>	<p>Fully meets</p>	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>There is a grievance mechanism available to workers through the CBA grievance mechanism, whether or not workers are part of the union. Workers are also able to approach supervisors and managers for work-related issues and there are postings regarding anonymous ways to present a grievance at corporate level. The grievance mechanism is, in practice, aligned to the UN Guiding Principles Effectiveness Criteria.</p> <p>Formal grievances are handled at corporate level through ethics points, managed by the compliance department, where they are investigated and concluded.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> <li>• The round table system functions in a way that the managers of each area appoint one or two employees from their department to participate in the meetings. However, there are employees that are not</li> </ul>

		<p>aware of how employees participate or are entitled to participate in the round table meetings. The union implemented is not very known by employees and is not used for a grievance channel of communication according to employees.</p> <p>This was confirmed through a review of policies; interviews with employees to confirm knowledge of the grievance mechanism and other communication channels; interviews with management; facility walkthrough in which postings of the corporate grievance mechanism were observed.</p> <p>During the follow-up assessment the assessor verified the enhancement of the facility’s grievance mechanism including the procedure and communication concerning the monthly management-worker round table meetings. Through employee interviews as well as the observation of a suggestion box, awareness of the enhanced implemented process was confirmed.</p>
<p>14. Environmental Risk Management</p>	<p>Fully meets</p>	<p>The assessment confirms the site meets the requirement as validated through ISO 14001 certification.</p>
<p>15. Greenhouse Gas (GHG) Emissions</p>	<p>Fully meets</p>	<p>At the corporate level each business unit is charged with setting GHG reduction targets by establishing the increase of renewable energy source use, and reduction of energy use in kWh.</p> <p>The company has an overall target of 20% reduction in GHG emissions by 2030 and has completed the GHG emissions baseline for 2021 that includes measurement of scope 1, 2 and 3. This is supported by the “Vision 2030 – Sustainability Action Plan.”</p> <p>At the site, the action plan includes a target of total energy usage sources from renewables at 4% by 2023, 10% by 2027, and 15% by 2030. Additional actions, such as deploying a ground mount solar generation on-site are specifically outlined. More information is available in criterion 16, below.</p> <p>More information is available here.</p> <p>This was confirmed through interviews with corporate management regarding GHG baseline data, control measures and targets; a</p>

		<p>review of the GHG baseline records and annual sustainability report; facility walkthrough to observe the GHG sources that are subject to measurement by the company.</p>
16. Energy Consumption	Fully meets	<p>Torreón has a process in place to monitor and record energy consumption, including change over time based on the baseline for 2021. The site tracks the use of electricity and natural gas consumption in order to monitor progress toward energy reduction goals of 3% reduction by 2023, 5% reduction by 2027 and 10% reduction by 2030. There are also targets for increased use of renewable energy. The actions established in the plan include deploying a ground mount solar generation on-site with a 25-Year PPA or ESA contract at the plant.</p> <p>This was confirmed through interviews with management on the company’s policy on energy consumption, control measures, and reduction targets; review of the energy tracking register maintained at corporate level with data reported at facility level; and a facility walkthrough to identify the main energy consumption activities in the facility.</p>
17. Freshwater Management and Conservation	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company keeps track of water use, and wastewater data. Freshwater is supplied from Torreón.</p> <p>It was recommended to set targets for freshwater reduction.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• The comprehensive assessment of water-use impacts and risks was not done in collaboration with relevant stakeholders.</li> <li>• Measures to ensure that water consumption does not restrict availability / access for other water users or reduce the range of populations of fauna and flora in the catchment area of the site / facility have not been implemented.</li> </ul> <p>This was confirmed through a review of documents including the ISO 14001 report, the company’s policy on environmental impacts, base line data, and use of water and water discharged, environmental indicators report;</p>

		<p>interviews with management on water source, water use, and wastewater practices; interviews with employees in charge of water management; and facility walkthrough to observe water use activities.</p> <p>During the follow-up assessment, it was verified that the facility adheres to codes of practice, and complies with general water use and wastewater regulations, along with interviews of employees in charge of water management in the facility.</p> <p>The reviewed evidence indicates that the corrective actions have been fully implemented.</p>
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<p>18. Waste Management</p>	<p>Fully meets</p>	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>Torreón has policies and practices in place to manage waste. At a corporate level, the company has a goal of “zero waste to landfill operations globally,” which is in the Vision 2030 Sustainability report. In the Vision 2030 – Sustainability Action Plan the facility in Torreón, Coahuila, México establishes the target of Zero Waste to Landfill diversion rate is at 99%, meaning there is only 1% waste remaining to be diverted. The ongoing actions are: 1) To divert this remaining 1%, Torreón could review opportunities for any other mitigation or reduction practices to eliminate this waste stream that is currently landfilled.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> <li>• The company does not have a specific policy in place that establishes its commitment to waste hierarchy and is applicable to all waste types (hazardous, non-hazardous and inert).</li> </ul> <p>This was confirmed through interviews with management regarding waste management practices related to solids, air, and water; a review of the ISO 14001 report, the environmental policy and vision 2030 statements related to waste; and a facility walkthrough to identify and confirm the sources of waste generated by the facility.</p> <p>During the follow-up assessment, the assessor verified the implementation of the hierarchy of controls policy by reviewing the sites environmental policy, their 2030 vision statements regarding waste, as well as permits, registers, and training records and a facility walkthrough to identify and confirm the sources of waste generated by the facility.</p> <p>The reviewed evidence indicates that the corrective actions have been fully implemented.</p>
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19. Tailings Management	Not applicable	Not in scope of assessments of non-mining facilities.
20. Pollution	Fully meets	<p>There is a corporate environmental policy that establishes the “commitment with environmental protection, including prevention of pollution, at the source through continual improvement programs.” Pollution inventory is registered according to air emissions, hazardous waste, general waste, and wastewater. The policy is supported by various environmental initiatives to support Vision 3030. In practice, the elements of the mitigation hierarchy are implemented.</p> <p>The facility has set environmental goals for the impact of pollution on human health and the environment. Employees are aware of the environmental pollution impacts of the facility and the environmental goals established in the framework of the ISO 14001-2015 certification.</p> <p>This was confirmed through interviews with management to explain the facility’s practices for pollution management; review of documents and records including the ISO 14001 report, the environmental policy, air emission, wastewater, and solid waste records; and facility walkthrough to observe pollution sources.</p>
21. Biodiversity and Protected Areas	Not applicable	<p>The facility is located in the city of Torreon, Indiana, in a residential area.</p> <p>During the assessment it was confirmed that the area where the facility is located is not considered a biodiversity and protected area declared by the environmental authorities. The company has assessed the biodiversity aspects in its operation.</p>
22. Mine Closure and Reclamation	Not applicable	Not in scope of assessments of non-mining facilities.
23. Community Health and Safety	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The facility addresses the risks in the environment where the facility is located and also generated by the company’s operation that may also impact the community. Within the area there are diverse types of industry that have been mapped out in terms of the potential risk for the community.</p>

		<p>There is no formal grievance mechanism for community health and safety.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• There is no stakeholder map to establish engagement on community health and safety needs and concerns.</li> <li>• The facility has not assessed potential health and safety impacts on the community other than the mutual support program with the industries around the facility.</li> </ul> <p>This was confirmed through a review of policies and documents; interviews with management to understand the facility’s activities; and facility walkthrough in which the potential health and safety impacts to the community from the facility’s operations were observed.</p> <p>During the follow-up assessment, the assessor verified the existence of the site’s stakeholder map including an assessment about the impact on the community’s health and safety.</p> <p>This was confirmed through the review of the policies and documentation, management interviews and a facility walkthrough in which the potential health and safety impacts to the community from the facility’s operations were observed.</p>
24. Community Development	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>Torreón has both company and individual employee initiatives to promote diverse activities and donations to the local community. Many employees are from the local community and see job opportunities promoted.</p> <p>Management is also engaged in fundraising efforts for charities.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> <li>• There is no formal community development policy and program that includes a community development plan, stakeholder mapping, and stakeholder engagement.</li> </ul> <p>This was confirmed through interviews with management; a review of policies and records; and interviews with employees.</p>

		<p>During the follow up assessment, it was verified that the site developed and introduced a formal community policy and program, including a community development plan, stakeholder mapping, and stakeholder engagement plan.</p> <p>This was confirmed through interviews with management; a review of policies and records; and interviews with employees.</p>
25. Artisanal and Small-Scale Mining	Not applicable	<p>During the assessment it was confirmed that there is no ASM in the area of influence of the facility.</p>
26. Human Rights	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The company has a Human Rights Policy stating the commitment to the UN Declaration of Human Rights and ILO conventions. To support this, the human rights policy, the suppliers code of conduct, standards of business conduct and the conflict minerals policy are implemented and publicly available in the company’s website.</p> <p>There is a grievance mechanism available for internal employees. No human rights-based grievances have been received.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• The human rights policy was not observed posted in the workplace.</li> <li>• There is no internal human rights impact assessment.</li> <li>• There is no (for non-copper) supplier risk assessment on human rights.</li> <li>• There is no communication of human rights policy to stakeholders.</li> </ul> <p>This was confirmed through a review of policies related to human rights implementation, interviews with management regarding the policies and practices implemented on human rights, interviews with employees on their understanding and awareness of the human rights practices at the facility, and a site walkthrough to observe the work environment in relation to human rights practices.</p> <p>During the follow up assessment, the assessor verified the company’s policies related to human rights at corporate and local level.</p>

		<p>Furthermore, the human rights impact assessment was verified along with the due diligence human rights assessments for business partners and suppliers. It was confirmed that the relevant policies containing human rights provisions are accessible on the company's website and actively communicated to all stakeholders.,</p> <p>This was confirmed through interviews with management and through interviews with employees on covering their understanding and awareness of the human rights practices at the facility.</p>
27. Security and Human Rights	Not applicable	Not in scope of assessments of non-mining facilities.
28. Indigenous Peoples' Rights	Not applicable	During the assessment it was confirmed that there are no Indigenous communities located in the area of impact of the facility's operations
29. Land Acquisition and Resettlement	Not applicable	During the assessment, it was confirmed that no resettlements of communities have occurred since the facility was built in this location.
30. Cultural Heritage	Not applicable	The facility is not located in or near any cultural heritage declared sites.
31. Due Diligence in Mineral Supply Chains	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>Torreón has policies and practices in place to conduct due diligence on its mineral supply chain. The facility has few direct suppliers and all smelters / refineries have received or are in the process of being assured through The Copper Mark assurance framework.</p> <p>This was confirmed through a review of available policies and procedures regarding mineral supply procurement, review of purchasing records of copper rod, interviews with management at the facility and corporate level in charge of mineral procurement process was interviewed, and facility walkthrough in which the incoming material and recordkeeping processes were observed.</p> <p>During the follow up assessment the assessor verified the policies and procedures regarding mineral supply procurement and due diligence.</p> <p>Through the review of policies, purchasing records, along with management interviews</p>

		<p>and observations of the incoming material process, and recordkeeping practices, it was confirmed that the corrective actions have been fully implemented.</p>
31.a.	Management System	Fully meets
<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>Torreón has implemented a Conflict Minerals Policy in place that states the</p> <p>commitments for not sourcing from conflict affected and high-risk areas (CAHRAS), the Democratic Republic of Congo, or the adjoining countries, which is aligned with the Dodd Frank Act, Section 1502. The Conflict Minerals Policy does not describe all risks included in the OECD Due Diligence Guidance on Conflict-Affected and High-Risk Areas.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• The company has not implemented a formal comprehensive, systematic and documented due diligence process aligned to the five-step framework established in the OECD Guidance.</li> <li>• There are no formal supply chain risk assessment reports completed.</li> <li>• There is no formal and consistent KYC process in place.</li> </ul> <p>During the follow up assessment the assessor verified that Essex has implemented a Conflict Minerals Policy aligned with the Dodd Frank Act, committing not to source from the Democratic Republic of Congo (DRC) and adjoining countries.</p> <p>A new Strategic Sourcing Policy outlining a commitment to the five-step due diligence process, including the Know Your Customer (KYC) process, risk assessment, and supplier due diligence issued in April 2024 was reviewed as evidence. Both the Conflict Minerals Policy and the Strategic Sourcing Policy are publicly available on the auditee’s corporate website here:  <a href="https://essexfurukawa.com/corporate-governance/">https://essexfurukawa.com/corporate-governance/</a></p> <p>The reviewed evidence indicates that the corrective actions have been fully implemented.</p>		

	31.b. Red Flag Identification Process	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The procurement department implements a score card for suppliers based on communication, visits, real time news and monitoring, root of the history, emails and meeting notes, review of W-199, and CTPAT certificate.</p> <p>The site has mapped the supply chain to the smelters / refiners and identified that all have received or are participating in The Copper Mark.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> <li>• There is no process to identify CAHRAs.</li> <li>• No red flag assessment has been completed</li> </ul> <p>During the follow up assessment the assessor verified the site has a process to identify CAHRAs and assess red flags. The assessor confirmed the reception of material transaction process and register including supplier, material origin, country of origin, type of material, weight.</p>
	31.c. Risk Assessment Process	Not applicable	No red flags were identified.
	31.d. Risk Management Process	Not applicable	No red flags were identified.
	31.e. Public Reporting	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>Information on supply chain due diligence and the conflict minerals policy is available <a href="#">here</a>.</p> <p>The following gap is identified:</p> <ul style="list-style-type: none"> <li>• There is no public reporting specific to the OECD-based due diligence management system implementation.</li> </ul> <p>During the follow up assessment, the assessor verified that the site publishes their risk assessment which is based on the OECD guidance.</p> <p>The report is publicly available in the corporate website:</p>

		<p><a href="https://essexfurukawa.com/resources/superior-essex-public-due-diligence-report/">https://essexfurukawa.com/resources/superior-essex-public-due-diligence-report/</a></p> <p>The reviewed evidence indicates that the corrective actions have been fully implemented.</p>
32. Transparency and Disclosure	Fully meets	<p>As of the follow up assessment on 4<sup>th</sup> April 2024, the site fully meets this criterion.</p> <p>The Vision 2030 Sustainability Annual report is a corporate, global level report focusing on focuses on environmental aspects of the company’s performance and includes provisions for responsible sourcing, supply chain transparency.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> <li>• There is no commitment to support the EITI by the facility.</li> <li>• The Sustainability Annual report does not include chapters on disclosure of payments to governments as it is a non-EITI country.</li> </ul> <p>The annual report is available <a href="#">here</a>.</p> <p>During the follow up assessment it was verified the site’s commitment to support the EITI was verified. This was validated through the review of the corporate Vision 2030 Sustainability Annual Report, issued in August 2023 and management interviews.</p> <p>The reviewed evidence indicates that the corrective actions have been fully implemented.</p>

## Conclusions

Statement of conformance	
The site is found to fully meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard.	<input type="checkbox"/>
The site is found to fully meet or partially meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement	

to fully meet all applicable Copper Mark Criteria by 1 June 2024.	
The site is found to miss some or all of the applicable criteria of the Risk Readiness Assessment and / or for Criterion 31, some, or all of the applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 1 June 2024.	<input type="checkbox"/>
The site misses some or all of the applicable requirements of the Risk Readiness Assessment and / or for Criterion 31, the applicable criteria of the Joint Due Diligence Standard. The Site has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	
Additional comments:	

### Copper Mark Award

*This Summary Report is prepared using data from the independent review report and the independent assessment report. The Copper Mark confirms the assessors' conclusion and awards the Copper Mark as follows.*

Date the Copper Mark is awarded	SUSPENDED
Expiry Date of the Copper Mark	SUSPENDED