



Copper Sectoral Decarbonisation Approach: Developing a Target-Setting Methodology

Technical Working Group – Terms of Reference

CONTEXT

The Copper Mark and RMI are collaborating to develop a copper specific 1.5°C-aligned target setting methodology (i.e., a sectoral decarbonization approach or SDA) similar to those that were recently developed in other sectors such as steel and aluminum. The SDA will be defined using a copper specific 1.5°C aligned emissions reduction trajectory which reflects the cost and availability (over time) of the technology deployments needed to decarbonise the sector. The target setting methodology will define how the trajectory is used to set company-level emissions reduction targets on an intensity basis to account for the needed growth in copper production to support the energy transition.

OBJECTIVES

To ensure the robustness of the target-setting methodology a technical working group will be established to ensure the methodology:

- Receives critique, review and input from external experts;
- Is based on a balanced input from a diverse range of stakeholder groups;
- Contains sufficient technical detail to be successfully applied, and
- Receives buy-in from the key actors especially those who will need to deploy methodology in practice.

MEMBERSHIP

Membership of the technical working group will comprise approximately 15-20 individuals from two main groups:

- Industry representatives from companies involved in copper mining and production, and
- Expert stakeholders from academia or civil society to provide insight on strategic, operational, technological, or financial aspects of the sectors transition.

Participants in the technical working group are expected to:

- Able to engage with technical content as it relates to copper mining and production and actively participate in TWG workshops
- Understand issues of climate change and ESG management
- Have a view of the cross-cutting issues and/or specific technical aspects of strategy, operations technologies, finance and/or enabling environment aspects (e.g. policy, legislation, risk management, etc.) that may impact the design of the target setting methodology.

PROCESS AND MEETINGS

Participation in the technical working group will consist of 3-4 virtual interaction workshop sessions (1-2 hours each) at key milestones during the development of the target-setting methodology. Participants will

receive focused briefings and/or technical content as pre-read materials and are requested to review these ahead of each session in order to actively participating in the workshops.

Parallel to the technical working group, written updates on the draft target-setting methodology will be provided to a wider group of interested stakeholders who are invited to provide feedback. Any feedback (and associated changes to the target-setting methodology) received from this wider group will also be shared back to the technical working group.

Following the input from the technical working group the draft target-setting methodology will be published for a period of public consultation.

Input received in the public consultation will be processed by the Copper Mark and RMI and an updated draft target-setting methodology will be shared with the technical working group for review and discussion.

TERMS

Non-industry participants (i.e., those from academia, civil society or other institutions) and downstream industry participants (e.g., semi-fabricators etc.) will be engaged on a volunteer basis.

Upstream industry participants (i.e., those from copper mining companies) are expected to contribute in equal parts to the project costs to be able to engage in the technical working group.

OUTCOME

The technical working group will seek to reach agreement on the target-setting methodology.

Any contentious issues and challenges raised by the technical working group will be recorded included the main opposing views and rationales detailed. The Copper Mark and RMI will then propose a way forward noting the pros and cons of the proposed approach to be discussed by the technical working group.

Following the technical working group input and finalisation of the target-setting methodology, the deliverable will be presented to the Copper Mark Advisory Council, including an overview of any areas where the technical working group did not reach agreement and the opposing views and rationales for those areas. The material provided to the Copper Mark Advisory Council documenting any areas of disagreement will first be shared with the technical working group to ensure it appropriately captures the issue.

The Advisory Council will provide a recommendation to the Copper Mark Board on the adoption of the target-setting methodology or indicate areas in the proposed target-setting methodology that need further work.

CONFIDENTIALITY

All data and information received from the Copper Mark, RMI and other stakeholders during the course of this project shall be treated confidentially and may only be used for the execution of these Terms of Reference. The contents and written materials obtained and used in this assignment may not be disclosed to third parties without the express written authorisation of the Copper Mark.