



# ResponsibleSteel recognition of The Copper Mark

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## Introduction

ResponsibleSteel works to accelerate the steel industry's transition to net zero while ensuring consumers can be confident that the steel they use has been sourced and produced responsibly. The steel sector relies heavily on extracted minerals and there are many programmes that define environmental, social and governance (ESG) requirements for responsible mining. The most effective and efficient way for ResponsibleSteel to address responsible sourcing issues is to recognise input material programmes that credibly verify ESG performance of suppliers and to build these into its requirements for 'Certified Steel'.

ResponsibleSteel has developed a recognition methodology that directs how we assess input material programmes for the purpose of recognition. Our methodology covers the review of a programme's standard, of its governance and management structures, its assurance and oversight mechanisms as well as any rules on claims and labels that participating entities may use. We have taken such a broad view of the programmes since a strong standard on its own will not deliver positive change on the ground. It needs to be supported by robust procedures and operational practices to ensure effective implementation.

ResponsibleSteel recognition assessments are based on a review of programme documentation. A comprehensive review of how well the written rules and procedures of a programme are implemented in practice for each of their participants is beyond what we can deliver. Recognised input material programmes can qualify for all 4 progress levels of our Principle on the "Responsible Sourcing of Input Materials". The assigned progress levels aim to reflect the rigour and ambition of the respective recognised programme.

ResponsibleSteel is working in partnership with the recognised programmes to help ensure that their standards, procedures and rules are implemented as stated and that any recognition conditions are adhered to.

We are also committed to assessing additional input material programmes that are deemed relevant for the steel sector. All programmes that achieve ResponsibleSteel recognition are listed on our website together with any conditions that are attached to recognition.

Visit the ResponsibleSteel website for more information and background on recognition.

## Background

The Copper Mark is an assurance framework to promote responsible practices across copper, molybdenum, nickel and zinc value chains. They work with all stages of the supply chain, including mining, roasting, smelting, refining and blending. The Risk Readiness Assessment (RRA) is The Copper Mark's standard, which it co-owns with the Responsible Minerals Initiative.

In December 2023, The Copper Mark submitted its self-assessment against ResponsibleSteel's recognition methodology. The self-assessment was reviewed by ResponsibleSteel between January and March 2024 and sent back to The Copper Mark with extensive feedback. This first review indicated that The Copper Mark would not qualify for recognition since they did not seem to achieve the minimum

points in the following areas:

- Governance and management of The Copper Mark programme
- Short falls in their standard (RRA) with regards to:
  - Local Communities
  - Climate Change and Greenhouse Gas Emissions
  - Noise, Emissions, Effluents and Waste
  - Water Stewardship

ResponsibleSteel also questioned why some criteria of the RRA apply to mining but not to processing, manufacturing and recycling operations:

- Closure and Reclamation
- Community Development
- Indigenous Peoples' Rights
- Land Acquisition & Resettlement
- Cultural Heritage.

Another weakness that ResponsibleSteel identified in The Copper Mark's system was that the guidance to the RRA was not binding and that the expectations for companies were therefore not clear.

These issues were discussed by The Copper Mark and ResponsibleSteel in a series of online meetings. The recognition assessment has been revised, considering the discussions and agreed-upon conditions (see below). This resulted in The Copper Mark passing the threshold for recognition in all areas of the assessment.

Stakeholders were given an opportunity to provide feedback on the draft recognition assessment between 26 June and 28 July 2024, when The Copper Mark assessment was published on the ResponsibleSteel website and was announced through our newsletter. We received one stakeholder submission (by a mining company) during this period.

The statement highlighted The Copper Mark as the most impactful upstream standard, balancing ambition and practicality, with a comprehensive standard, robust assurance process, and multi-stakeholder governance. It suggested that ResponsibleSteel develop a higher performance level (e.g., Level 5) to reflect The Copper Mark's higher impact on people and the planet compared to other programs. ResponsibleSteel responded by stating that they are not creating a Level 5 at this time and recommended the stakeholder review studies by Lead the Charge and Mercedes-Benz to see how other initiatives score metal certification programs.

## Overview of recognition decision and conditions

To decide which progress levels to assign to The Copper Mark, we compared the total scores received by the input material programmes that have been assessed for recognition so far. The scores indicate that The Copper Mark is better placed to bring about responsible practices than Bettercoal and TSM. However, it considerably lags behind the IRMA programme as shown by the table below:

Area of assessment	Bettercoal	Copper Mark	IRMA	TSM
<b>1 Governance and Management</b>	27	27	27	24
<b>2 Assurance and Oversight</b>	37	46	48	38
<b>3 Claims and Labels</b>	10	9	10	10
<b>4 Corporate Leadership</b>	0	3	0	4
<b>5 ESG Management Systems</b>	6	9	9	8
<b>6 Occupational Health &amp; Safety</b>	12	12	14	11
<b>7 Labour Rights</b>	18	15	18	16
<b>8 Human Rights</b>	6	4	7	6
<b>9 Stakeholder Engage. &amp; Comm.</b>	6	4	7	4
<b>10 Local Communities</b>	8	6	12	6
<b>11 Climate Change and GHG</b>	4	6	6	7
<b>12 Noise Emiss. Effluents Waste</b>	8	7	6	8
<b>13 Water Stewardship</b>	8	7	9	8
<b>14 Biodiversity</b>	1	1	2	1
<b>15 Closure and Decommissioning</b>	1	1	2	2
<b>Total</b>	152	157	177	153

In addition to comparing the scores that the four programmes achieved under the ResponsibleSteel recognition methodology, we also considered how other external studies view the various input material programmes. The following table looks at three different analyses. It should be noted that the expectations and benchmarks set by these analyses differ from those of ResponsibleSteel. However, the overall conclusions align with our scores in that The Copper Mark is ranked higher than TSM and lower than IRMA (and ResponsibleSteel):

	Lead the Charge	Mercedes Benz Guidance	Germanwatch
<b>Programme</b>	Score	Score	Score
<b>Copper Mark</b>	4	25	5 red, 1 green
<b>IRMA</b>	7	31	1 red, 1 yellow, 4 green
<b>ResponsibleSteel</b>	5	30	1 red, 4 yellow, 1 green
<b>TSM</b>	3	13	n/a

As a consequence, the decision was that The Copper Mark should be recognised for levels 1, 2 and 3 of the Principle 3 responsible sourcing requirements as described in ResponsibleSteel's International Production Standard V2.1.

The Copper Mark agreed to the following two pre-conditions for recognition:

1. The above-mentioned criteria of the RRA have to be considered not only by mine sites but also by stand-alone metal processing, downstream processing, manufacturing and recycling sites if these sites want to be ResponsibleSteel-recognised.
2. The Copper Mark will explicitly stipulate that the requirements specified in the RRA Criteria Guide are binding.



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