



A Regulatory Roadmap for Copper

Research Conducted by: MetalsPlus

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The International Copper Association (ICA)—the leading authority on copper end-use—released findings from a global research study that evaluated the impact government will have on industries, including copper, as regulations continue to influence the marketplace. The research was conducted by MetalsPlus Research & Consulting.

KEY FINDINGS

- Five regulatory trends were identified by MetalsPlus Research & Consulting as playing a key role in future copper demand: resource conservation, carbon footprint/climate change, toxicity, product integrity and social license to operate (SLO).
- In general, people can act to sustain and improve society by forming a context within which laws favoring sustainability are passed and accepted, and where consumers and investors favor companies that fit into societal goals.
- Once a sustainability trend has seen a boost from government action, a virtuous cycle is created between industry and consumers/investors to help ensure both individual and societal goals are met.
- Regulatory efforts in China to lower the carbon footprint have already made an impact, which led to a net increase in copper demand in 2016.
- Market impacts from the increasing demand for efficient building systems and electrical equipment, electric vehicles and renewables generation could add more than four million tonnes of annual copper use by 2030.

Five Key Regulatory Trends

Resource Conservation

- Resource conservation will be shaped by sustainable resource policy and legislation, as reflected in the circular economy concept.
- This trend focuses on eliminating waste through better-designed and more efficient materials, products and systems.
- Copper is fully recyclable and has a positive Life Cycle Analysis, which will help it to fare better than competing materials, resulting in a positive impact on demand.

Carbon Footprint/Climate Change

- Positive impact on copper is noted in legislation that seeks to raise the efficiency of motors, transformers and HVAC systems, and that incentivizes renewable energy and electric vehicle use.
- Copper plays a positive role in this technology, due to its use in both efficient low-emission equipment and renewable energy systems.

Toxicity

- Legislation is constantly evolving to address levels of toxicity to human health and the environment.
- Copper, like other materials, can be affected by the specific terms of these rules in its use as a raw material, in processes and in its final product form.

Product Integrity

- Product integrity issues impact the individual design criteria for specific products, as governed by regional and national standards and regulations.
- Product standards are a large contributor to market impact.
- They can be positive for copper, because they provide a minimum specification benchmark.

Social License to Operate

- Managing SLO beyond the scope of legal requirements and into acceptance by the wider community can help industries gain better access to key community resources like land, sales or capital.
- For copper, SLO management comes down to business integrity on social and environmental grounds, and the integrity of the entire supply chain, from mining to recycling.

For additional information about copper or the International Copper Association, please visit www.copperalliance.org or www.sustainablecopper.org.

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