



# Due Diligence in the Copper Industry

The members of the International Copper Association (ICA) are invested in sustainable and responsible sourcing and production efforts that support the UN 2030 Sustainable Development Goals (SDGs). This is driven by:

- ▶ industry's proactiveness in addressing investors', customers' and civil society's concerns around ethical business conduct; and
- ▶ lawmakers' ambition to ensure through legally-binding rules that global value chains operate in a sustainable and socially responsible manner.

ICA members strive to prioritize responsible practices at every level, from worker safety to local community development to environmental protection. Their own operations and business partners are governed by a corporate code of conduct that defines the companies' environmental, health & safety, human rights and social performance, and management systems. The Global Reporting Initiative (GRI) is the main sustainability reporting standard our members use to publicly report on their Environmental, Social, and Governance (ESG) performance.

Beyond compliance with national, regional and international laws, ICA members are invested in multiple activities, initiatives, and efforts at site-, firm-, group-, and corporation-level.

**These include:**

1. Incorporation of **government-backed international standards and rules** in corporate responsible sourcing policies and management systems
2. Uptake of **voluntary industry and multi-stakeholder initiatives** for the promotion of ESG good practices
3. **On-the-ground corporate projects and partnerships**

EXAMPLES OF THE MAIN  
**ESG Focus Areas**  
FOR ICA MEMBERS



**ENVIRONMENTAL**

- Air, water and soil management
- Energy, resource and material efficiency
- Hazardous substances exposure control



**SOCIAL**

- Human and labour rights
- Local communities well-being and development
- Health and safety of workers and employees



**GOVERNANCE**

- Ethical business and zero-corruption
- Fair competition
- Transparency and data privacy

The responsible sourcing and production efforts that ICA members undertake enhance regulatory compliance and can be classified under the three main following categories:

**1. Incorporation of government-backed international standards and rules in corporate responsible sourcing policies and management systems:** Copper producers' ambition is to align their sustainability systems with international standards on ethical sourcing and production of raw materials. The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (so-called 'Minerals Guidance') constitutes the cornerstone international framework for responsible supply chain management of minerals from conflict-affected areas, to which ICA members are committed. Upon this, copper producers adapt their mineral purchasing decisions and practices to respect human rights and avoid contributing to conflict. This builds on the OECD Due Diligence Guidance for Responsible Business Conduct (so-called 'RBC Guidance') that supports our members efforts in implementing due diligence as recommended in the OECD Guidelines for Multinational Enterprises (so-called 'Guidelines for MNEs'). By following closely the OECD framework, ICA members make their positive contribution by preventing and mitigating material ESG risks and impacts, as well as by practically improving the situation in third countries.

**Main examples include:**

- ▶ OECD framework for due diligence (Guidelines for Multinational Enterprises, Due Diligence Guidance for Responsible Business Conduct, Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas)
- ▶ United Nations Guiding Principles on Business & Human Rights (so-called UNGPs)
- ▶ Regional legislation (e.g., EU Conflict Minerals Regulation, EU Corporate Sustainability Due Diligence Directive, Corporate Sustainability Reporting Directive)



**2. Uptake of voluntary industry and multi-stakeholder initiatives or the promotion of ESG good practices:** Copper producers are increasingly assuring their sites using voluntary schemes and due diligence standards (namely 'sustainability systems'). Participation to such initiatives and schemes helps our companies comply with the matrix of different legislation at international level as well as at the respective jurisdiction of operation. In this way, compliance is secured through rigorous assessments and independent auditing processes.

**Main examples include:**

- ▶ The Copper Mark
- ▶ Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc
- ▶ Global Industry Standard on Tailings Management (GISTM)
- ▶ LME responsible sourcing requirements
- ▶ RMI standards
- ▶ ICMM mining principles and associated ESG performance expectations
- ▶ Extractive Industries Transparency Initiative (EITI)

**3. On-the-ground corporate projects and partnerships:** These can contain dedicated internal governance structures and external actions upon own initiative or in cooperation with other parties in other countries (e.g., use of funds towards education, re-skilling, awareness-raising, etc.). Through cooperation with other platforms and organizations, our members foster cross-industry knowledge and best practice exchange around responsible sourcing, and leverage initiatives that address ESG shortcomings (e.g., on human rights, corruption, environment) and promote due diligence in their own operations and business partners.

**Main examples include:**

- ▶ Internal corporate units and departments dedicated on ESG matters
- ▶ Participation in funding programs on a series of actions (e.g., fight child labor, provide training to indigenous people, run health campaigns for employees, support entrepreneurship, and help local communities grow socially, culturally and economically)



While it is the responsibility of each company to comply with the applicable rules, voluntary sustainability systems can verify a site's conformance with international standards when those systems are based on:

- ▶ Transparent, robust, and trustworthy industry schemes, based, for example, on the ISEAL credibility principles<sup>1</sup>
- ▶ An OECD-aligned voluntary standard<sup>2</sup>

1 Positive contribution to sustainability impacts, collaboration with civil society and other stakeholders, value creation, measurable progress, meaningful stakeholder engagement, transparency, impartiality, reliability, truthfulness, and continual improvement.  
2 Assessment of the incorporation of key OECD due diligence framework characteristics into the standard or in the implementation of a corporate initiative.

## The role of voluntary sustainability standards in supporting site compliance with global standards and applicable rules

For the copper industry, one example of a voluntary sustainability standard is the Copper Mark. The Copper Mark is an assurance framework to promote responsible sourcing and production. Through a rigorous site-level assessment process, it independently verifies whether individual copper producing sites have responsible production practices. Over 25% of globally mined copper is currently produced by Copper Mark-assured sites.



The Copper Mark's vision is a sustainable society, enabled by the responsible production, sourcing and recycling of metals. Separate from the industry it assesses, the Copper Mark is governed by an equal number of industry and non-industry stakeholders.

The Copper Mark also plays a leading role with the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc (herein called the JDDS). The JDDS is independently verified to be 100% OECD-aligned, and is jointly issued by the Copper Mark, the Responsible Minerals Initiative and the metal associations of the metals it covers.

### The Copper Mark's assurance process includes five main steps:

**Commitment:** The site publicly commits to the Copper Mark's assurance process and the associated deadlines to fully meet the ESG standards.

**Self-Assessment:** Participants complete a self-assessment against the Copper Mark standards, covering all major ESG issues.

**Independent Assessment:** Participants are assessed by third-party, independent auditors. All participants must undergo an on-site assessment of their site.

If they successfully meet all criteria or only has minor gaps in their performance, participants are awarded the Copper Mark at this stage.

**Improvement Plan:** Gaps identified during the independent assessment must be addressed and the implementation of the improvement plan must be verified again by the independent third-party auditor. Participants can only maintain the Copper Mark if they 'fully meet' all applicable Copper Mark standards within 24 months of signing their commitment.

**Re-Assessment:** Sites that have successfully completed the assurance process are reassessed at the latest every three years against updated Copper Mark standards. For more info, [click here](#).





### International Standards

- [London Metals Exchange \(LME\) responsible sourcing requirements](#)
- [OECD RBC Guidance / Minerals Guidance / Guidelines for MNEs](#)
- [UNGP's on Business and Human Rights / UN Declaration on the Rights of Indigenous People / UN Global Compact Principles / UN International Bill of Human Rights / UN Convention on the Rights of the Child](#)
- [ILO core conventions on social matters](#)
- [World Bank Group International Finance Corporation performance standards](#)
- [ISO 14001, ISO 9001, ISO 14064, ISO 45001](#)
- [GHG Protocol Corporate Accounting and Reporting Standard](#)

### Voluntary Sustainability & Due Diligence Initiatives

- [The Copper Mark \(TCM\) for copper production sites, the Chain of Custody Standard for copper products, and the Joint Due Diligence Standard for Cu, Pb, Ni and Zn also for copper production sites](#)
- [Global Industry Standard on Tailings Management \(GISTM\)](#)
- [Responsible Minerals Initiative \(RMI\) Standards & Responsible Minerals Assurance](#)
- [Mining Association of Canada's Towards Sustainable Mining \(TSM\) initiative](#)
- [ICMM mining principles and associated performance expectations](#)
- [Responsible Business Alliance Code of Conduct and its standards and Practical Guide to Responsible Sourcing of Goods and Services](#)
- [Initiative for Responsible Mining Assurance \(IRMA\)](#)
- [World Economic Forum Partnering Against Corruption Initiative](#)
- [Extractive Industries Transparency Initiative \(EITI\)](#)
- [Global e-Sustainability Initiative \(GeSI\)](#)
- [Global Partnership for Sustainable Development Data](#)
- [European Innovation Partnership on raw materials / EIT Raw Materials Knowledge and Innovation Communities / European Technology Platform for Sustainable Mineral Resources](#)
- [International Union for Conservation of Nature](#)
- [World Business Council for Sustainable Development](#)
- [Canada Mining Association Towards Sustainable Mining Initiative \(TSM\)](#)
- [Transparency International](#)
- [Financial Stability Board Task Force on Climate-related Financial Disclosures](#)
- [World Benchmarking Alliance Corporate Human Rights Benchmark](#)
- [Voluntary Principles Initiative on Security and Human Rights](#)

- [UN Human Rights Dashboard / Women Initiative / Environmental Program World Conservation Monitoring Centre](#)

### Corporate initiatives

- ESG-focused governance structures: Responsible Sourcing of Minerals, Know Your Counterparty, Employee Wellness, Health Promotion and Environmental Hazards Prevention, Local Economic Development, Community Engagement and other programs and dedicated committees
- Awareness, training and educational campaigns, and reskilling
- Activities in third countries
  - Local programs and series of initiatives (incl. funds) to:
    - Fight child labour and educate children
    - Provide training and technical assistance to local governments, communities and institutions in operational areas of influence
    - Reduce the infrastructure gap in third countries
    - Support entrepreneurship and integrate small companies as suppliers
    - Protect heritage sites
    - Grow socially, culturally and economically indigenous people, and develop alternative sources of livelihood for local communities
  - Other
    - RESPECT index for responsibility, ecology, sustainability, participation, environment, community, transparency
    - Crime prevention model
    - Women in Mining Forum
    - Copper product raw material procurement initiatives
    - Golden rules for safety
    - Health campaigns for employees