



The Value of Membership



**International Copper
Association**
Copper Alliance



Introduction

The International Copper Association (ICA) leads the world's copper industry on the issues critical to securing copper's future growth. ICA's members represent a majority of global copper production, and include many of the largest copper and copper alloy fabricators. ICA's status as a not-for-profit trade association provides its members with a credible, independent advocate to address challenges faced by the collective industry.

The investments by its members ensure ICA is able to maintain an effective leadership position on behalf of the world's copper industry. By pooling resources through ICA, the industry is able to accomplish much more than any single copper industry company could on its own.

The commitment and ongoing investment by its membership base benefits the whole of the copper industry. ICA is committed to partnering with its members to

increase the percentage of industry that is funding ICA's efforts to maintain the long-term viability of copper markets.

The ICA Value Proposition

Dues in ICA are an investment by its members, and the Value Proposition for this investment is strong. ICA's Value Proposition is predicated on the programs it develops and implements on behalf



"Without ICA, individual companies would need to separately address industry-wide issues. The industry is more effective, credible and efficient when it works together than apart. ICA makes this possible."

Steve Higgins
Freeport McMoRan Copper & Gold
Founding ICA Member

of its members. These programs fall into three categories:

- Market Access
- Market Defense/Growth
- Image/Reputation-Building

Market Access

ICA leads efforts to maintain the copper industry's license to operate in increasingly complex regulatory environments, ensuring continued market access for copper products. As a non-commercial entity, ICA is able to interface directly with regulatory bodies around the world on behalf of industry. Through years of scientific advocacy funded by its members, ICA has developed a high level of credibility and trust on market-access issues. As commercial organizations, no single ICA member could respond directly to these threats; it is only through the collective and ongoing investments of ICA's

members that the copper industry is able to successfully maintain its end-use markets.

Examples:

- ICA enabled the industry's response to Europe's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation. By pooling resources, ICA provides an efficient and cost-effective way to address issues impacting the whole copper industry. REACH-like regulations are proposed in China and Korea, and ICA will continue to lead the effort to ensure the copper industry's competitive position in these important geographies.
- ICA led the response to new legislation by the International Maritime Organization (IMO)

on the classification of copper concentrates shipped over open waters. The potential existed for all copper concentrates to be classified as harmful to the marine environment, and the industry would have been required to make significant investments in upgrades to port facilities to comply with these new regulations. Through ICA efforts and ICA-developed scientific evidence, nearly all copper concentrates were NOT classified as harmful to the marine environment, saving the copper industry \$50-100 million in avoided compliance costs annually.



Market Defense/Growth

A program portfolio that balances market defense and growth is critical to maintaining overall copper demand long-term. ICA's annual operating plan shifts the balance between growth and

defense depending on market conditions.

ICA integrates the copper value chain by connecting the upstream producers with the downstream fabricator base around the world. ICA develops and implements programs that defend copper end-use applications that are critical to maintaining overall copper demand and minimizing the outcomes of substitution by competitive materials. Through direct engagement in code and standard setting bodies, and through promotion, ICA grows markets for copper by increasing the intensity of copper use in equipment (kg per unit) and in buildings (kg per m²).

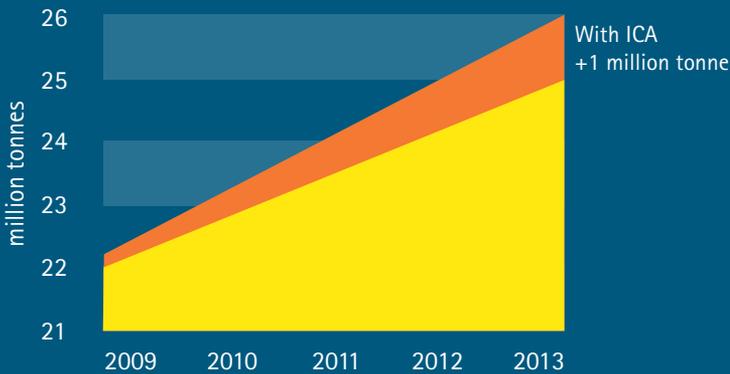
ICA also develops new markets for copper to offset losses in mature applications and develops technologies that increase the competitiveness of existing end-use applications in an environment of high relative material cost.

Example (Defense):

- ICA mobilized local industry opposition and developed the case against industry plans to switch from copper to aluminum in the critical 1.9 Mt copper power cable market in China.

Tonnage Impact

ICA's primary value to the upstream mining sector is to increase copper demand. The tonnage impact of ICA's programs is conservatively estimated at 200,000 tonnes per year of protected and expanded market opportunity. Over the life of ICA's five-year strategic plan the tonnage impact is 1,000,000 tonnes. Overall market sentiments would be significantly different if total copper demand were 1,000,000 tonnes lower.



Example (Growth):

- In 2014 ICA formed a partnership with like-minded organizations focused on accelerating market transformations based on minimum energy performance standards (MEPS) in appliances and industrial equipment. By 2030 this

could result in a reduction in global electricity consumption of 10%, and lowering CO₂ emissions equivalent to removing 500 million cars from the road. Copper demand could increase by up to 350,000 tonnes over the next five years through these increased efficiency standards.



"Through ICA's programs, members receive powerful messages that link copper in a positive way to many of society's greatest challenges. These messages are enhancing the reputation of the copper industry and changing the way we communicate to the world about copper."

Rodrigo Toro | Codelco | ICA Member since 1986

Image/Reputation-Building

Extractive industries are under ever-increasing scrutiny from multiple levels of stakeholder groups, from government officials to the general public. All too often, positions on copper mining are extreme; it is easy to look at mining as a stand-alone, disruptive activity. Negative perceptions of mining not only threaten the

industry's future viability, but affect near-term material selection and regulatory decisions on products and markets.

Through collaborative messaging efforts with our members, ICA is focused on enhancing the reputation of the copper industry. However, reputation-building is more than just messaging. ICA partners with a range of global organizations not affiliated with

“ICA is well on its way to being a lean, focused organization following recent major changes. ICA provides a needed global footprint to stay on top of the issues important to copper’s future. We consistently see a strong return on investment.”

Peter Beaven | ICA Chairman 2012-14 | BHP Billiton | ICA Member Since 1991

the copper industry. This includes governments, nongovernmental organizations, the United Nations, foundations, etc.

Examples:

- Through its partnerships, ICA (and, as an extension, the copper industry) is considered a credible expert in a number of important areas, including energy efficiency and climate change mitigation. As a result, ICA has leveraged an additional \$125+ million over the past five years above members’ dues payments for the co-funding of projects—further evidence that these organizations value ICA’s capabilities.

- ICA’s programs have led to fact-based, scientifically proven messages under the umbrella of the “Societal Benefits of Copper.” ICA and its members are able to effectively communicate about copper’s unique ability to address numerous topical areas of global concern including: sustainable development; energy efficiency and security; climate change mitigation; rural electrification; public health; food supply; green building; and more. Quite simply, no other material is able to make a positive impact in so many areas.

“We came to realize that LS-Nikko had always benefited from the work of ICA. We felt it was our rightful duty to the copper industry to join ICA and to become a full contributing member. We are proud to be a part of their worthwhile results.”

Cha-Myung Koo | LS-Nikko | ICA Member Since 2006

Protecting the Downstream

ICA provides a common platform for what is traditionally a nonintegrated industry. In this capacity ICA connects the upstream (mining) and downstream (fabricating) parts of the copper value chain. Through a program portfolio that balances growth and defense opportunities, ICA ensures the continued viability of copper's end-use markets—products and geographies—in challenging market conditions.

Copper markets are under continuing and persistent pressures of substitution from competitive materials. With a global reach that extends to nearly 60 countries, ICA has technical experts dedicated to the protection of copper's key end-use applications. ICA works with code- and standard-setting bodies to ensure copper is specified in building codes that open and maintain markets. ICA drives technological innovation that improves copper's position in existing applications (defensive efforts) and leads to entirely new applications for copper (growth opportunities).

By diversifying its program portfolio between defensive and growth efforts, ICA is able to effectively counter a significant portion of the potential loss of market share for copper and maintain overall, critical demand in the long-term.



“ICA bridges the needs of the upstream and downstream sectors of the copper value chain. This is critical to ensuring the long-term viability of copper’s end-use markets.”

Harald Kroener | Wieland-Werke AG | ICA Member since 1991

Governance

ICA is a member-driven organization. Members are encouraged to make the most of their investments in ICA by taking an active role in the organization's governance.

One of the most important benefits to members of ICA is the ability to participate in guiding the organization. Whether local, regional or global, ICA's governance structure provides its members with an effective and efficient mechanism to interact with management and staff—and other members—on important topics,

including strategy, program focus, and more.

We encourage all ICA members to be actively engaged. For new members, in particular, direct interaction will provide an outstanding opportunity to learn more about ICA and its work on behalf of copper, and also will afford the ability to become acquainted with ICA's members, management and staff. Most importantly, this is the means through which you can influence, guide and direct ICA's programs to ensure they best serve the needs of the industry.

Global Footprint

ICA is a professional service organization that brings together stakeholders across the entire copper value chain: industry (producers, smelter/refiners, fabricators), end-users, and governments and regulators. Our approach is highly collaborative in that ICA

develops and manages programs in close partnership with our members and stakeholders.

Under the umbrella brand of the Copper Alliance, introduced in 2012, ICA is active in nearly 60 countries around the world, and the association is

Become a Member

ICA is the only organization dedicated to leading the industry on the issues critical to protecting copper's future. Copper is a unique material and a global organization is needed to address challenges that differ from region to region and among copper's many end-use applications. It is all but impossible to tell the entire ICA story in one document.

Membership in ICA is open to upstream organizations engaged in the business of mining of copper ores or the smelting and/or refining of copper. Membership is also open to downstream fabricators of products that includes copper or alloys of copper as a raw material (or component thereof), for example brass mills, foundries and manufacturers of wire and cable products.

actively engaged in activities that benefit your business. We invite prospective members to speak with their industry counterparts among ICA's membership to better understand the value derived from investments in ICA. Our management is able to facilitate these discussions as needed. We are also able to arrange face-to-face meetings with ICA members and management.

Membership in ICA is an investment in copper's future. If your organization is eligible for membership, ICA is already

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uniquely suited to promote and defend copper in mature, long-standing markets, and to introduce copper to emerging markets. This global footprint is critical to addressing the many challenges to copper's end-use markets. Each region of the world has its

own unique market challenges and ICA maintains a strong presence on-the-ground in the geographies critical to copper's future.

No single company can duplicate ICA's broad-based knowledge or its effectiveness.

"As a new member, the fact that ICA is a credible, independent third-party representative of the copper industry was an important consideration in our decision to become a member."

Steve Rowland | Glencore | ICA Member Since 2014

THE ICA VALUE PROPOSITION

No single member could effectively accomplish all that ICA does on behalf of the industry



The International Copper Association (ICA),

- Leads the industry on issues critical to copper's future
- Increases and protects copper demand
- Acts as an insurance policy against long-term demand destruction
- Projects to positively influence one million tonnes of copper demand during the next five years
 - This demand will have a positive impact on market sentiment for the total global copper demand picture
- Represents a majority of the global copper production and conducts programs in three critical areas:
 - Market Access
 - Market Defense/Growth
 - Image/Reputation-Building
- Benefits the whole of the copper industry

BOTTOM LINE: ICA DELIVERS A ROI OF 10:1 ON AN INVESTMENT OF >10:1



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