

Public Consultation on Proposed Amendments to the LBMA Disclosure Guidance

Submission of Boliden's Feedback

To Whom It May Concern,

Boliden Commercial AB is pleased to submit its written feedback on the proposed amendments to the LBMA Disclosure Guidance. As a long-standing member of the LBMA Good Delivery List, we are committed to contribute towards the development of LBMA and its guiding documents.

Boliden's values of care, courage and responsibility guide all facets of our work internally and externally and as such, we remain committed to support efforts towards advancing ethical and responsible business conduct in the metals and minerals sector as well as to achieve greater transparency and dialogue among stakeholders. We welcome the growing focus on defining the boundaries of transparency that enable genuine stakeholder feedback and scrutiny. Such dialogue is a necessary component to continue to meaningfully advance broader responsible sourcing practices and to ensure accountability is taken when this ambition is not met.

Boliden places considerable effort to continuously develop its 5-step due diligence process, including the quality and content of our public reporting. It has always been, and will continue to be, our intention to strike a genuine balance between commercial sensitivity and transparent disclosure of our risk identification, assessment and, mitigation efforts and findings in such a way as to provide all interested stakeholders with the opportunity to gain a thorough understanding of the work we do and the risks we manage in our supply chains. We have also in the past disclosed the high risk countries of origin, in an effort to provide further clarity and insight to the report and would remain open to consider doing so in the future.

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Against this, it is however the position of Boliden that we cannot support blanket public disclosure requirements, without the possibility for exemptions, when such disclosures include supplier-specific data or other information that can reasonably be considered as commercially sensitive. The following arguments are provided as support for our position on the matter.

1. Commercially Sensitive Information

Externally, the importance of protecting commercially sensitive information is recognized in various legal and regulatory frameworks. For instance, the UK's Freedom of Information Act (FOIA) includes provisions that exempt the disclosure of information that could prejudice the commercial interests of any legal entity. This includes supplier lists and contact details, which are considered trade secrets and are protected to maintain a company's competitive position. In Sweden, where Boliden Commercial AB is registered, robust protections also exist to protect commercially sensitive information when such information possesses economic value, and is subject to reasonable measures to maintain its secrecy.¹ The economic value of *inter alia* names of suppliers lies in the ability to provide a competitive edge, protect against market manipulation, and safeguard proprietary practices. Public disclosure of certain information could be used by competitors to co-ordinate their behavior, actions or their business decisions to the potentially detriment of fair competition. Building trusting business partnerships with suppliers is a considerable effort that Boliden seeks to safeguard. It should not be assumed that all business relationships are *de facto* already known in the market. As such, the information is sensitive and a key component of maintaining a competitive market position.

It should further be noted that disclosure restrictions may follow from commercial contracts which usually include confidentiality undertakings. Additionally, as a listed company, Boliden must also consider the rules applicable to the handling and sharing of potentially price sensitive information.

We would like to emphasize our commitment to thorough and meaningful due diligence, which involves significant time and effort. This not only enhances the performance of our suppliers, delivers positive impacts but also allows us to share in the positive outcomes of our investment. We remain interested to ensure that the progression of industry standards support such an ambition.

¹ Trade Secrets Act (Lag om företagshemligheter), [Lag \(2018:558\) om företagshemligheter | Sveriges riksdag](#), 2018.

2. Red Flag Locations

On May 20 2025, LBMA wrote that “Refiners will continue to disclose the identity and location of suppliers located in high-risk areas to LBMA as currently required under version 9 of the Responsible Gold Guidance.” However public disclosure will cover the “local exporter in ‘red flag’ locations as per OECD Guidance” among other. Boliden wishes to note that as a Refiner actively sourcing directly from mines of origin, the local exporter from red flag location in such circumstances, is commonly the supplier.² It will therefore follow, that Boliden would be required to disclose the name of its suppliers in red flag locations unless exceptions on basis of commercial sensitivity is applied in such situation on grounds of the the more specific rule applying as an exception to the general one.

It should further be noted that there is no universal list of conflict-affected and high risk areas (CAHRA). In absence of mandatory and exhaustive CAHRA lists applicable to all participating refiners, CAHRA lists among actors along the value chain vary in scope, treshold and ambition. Boliden maintains a robust and extensive CAHRA list, with the intention of ensuring that risks in the supply chain are broadly captured and acted upon. However, disclosures, which build upon the concept of a ‘red flag’ location, while such locations can to a large degree be determined by participating sites themselves, risks unequal disclosure requirements to apply in practice. A secondary risk, arising from the proposed disclosure requirements which Boliden foresees is a trend towards restrictive CAHRA list within the industry in order to avoid over-reaching disclosure requirements. Boliden maintains that such a trajectory would take the industry in the wrong direction, whereby instead of continuing to expand the scope of due diligence to such a level as to meaningfully live up to the spirit of OECD Guidelines, the opposite will be seen.

Finally, in order to avoid expansive disclosure requirements, a plausible risk exists of refiners choosing to increasingly source via intermediaries. Boliden supports the ambition of transparency and accountability, but notes that the current proposal may have an opposite effect. Any potential ambitions of bringing international traders within the scope of LBMA’s responsible sourcing requirements is a long-term effort without guarantees of success or support within the trading community and as such this would provide little guarantees against the risks highlighted in the foreseeable future.

² Reference is made to data disclosed to LBMA in prior reporting periods.

3. OECD

We wish to re-iterate once more that Boliden strongly supports clear, impact-driven and strict due diligence requirements and remains available for industry-wide efforts to promote good practices and alignment in this regard. Boliden's management system is fully OECD compliant and the continuous improvement work undertaken ensures consistent improvement actions are undertaken to ensure our 5-step due diligence process is relevant, accurate and impactful. Living up to the spirit and requirements of the OECD Guidelines is a clear ambition of Boliden.

In addition to the aforementioned feedback in sections 1 and 2 above concerning the risk of a trend towards narrowed due diligence scope and interpretation arising from broad disclosure requirements, it is further Boliden's understanding of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter the OECD Minerals Guidance), including Footnote 59 of its Gold Supplement that public disclosure requirements, such as those proposed by LBMA, are not required by OECD. Instead the OECD Minerals Guidance recognizes the importance of business confidentiality and other competitive or security concerns, including supplier identities and relationships while mandating disclosure, to a reasonable degree of information to *institutionalised mechanism, regional or global*, rather than public disclosure. Boliden, along with other Good Delivery List participants, have been disclosing extensive data, including supplier information, to LBMA on a confidential basis and is happy to continue to do so. The extent of data released however has a correlation to the Conflict-Affected and High-Risk Area list of a participating site. Differences in the extent of scrutiny and disclosure are therefore clearly present in current practice.

We encourage detailed scrutiny of all information provided to assurance providers and LBMA directly as the respective receiving parties of the information. It should not be assumed that participating sites are not already scrutinized but we should rather strengthen public trust in the processes already in place, along with efforts to strengthen those processes.

4. Recommendations

a. Risk-based approach

Consider risk-based mandated public disclosure requirements that follow from serious deviations from audits. This may include for example 1) evidence of third-party feed mixing along the supply chain, 2) lack of credible traceability documentation available, 3) actors identified in the supply

chain with known records of illicit practices such as melting primary gold into recycled material to avoid scrutiny or 4) failure to disclosure requested information to LBMA.

b. Application of exemptions on basis of commercial sensitivity

In order to recognize the practical implication of mandating disclosure of refiners and/or local exporters wherein, for companies such as Boliden, with complex multi-metal raw material supply chains, such disclosure would entail the disclosure of supplier information with distinct commercial sensitivities; we instead recommend LBMA to consider the inclusion of exemption clauses on basis of commercial sensitivity on grounds of the more specific rule applying as an exception to the general one when the two conflict.

It is important to ensure a nuanced guideline is developed, recognizing the specific characteristics of supply chains. A generalization and equal treatment of traditional gold-refineries and multi-metal refineries with a primary focus on base metals, does not recognize the distinct differences of business models and supply chains. It is therefore imperative to recognize, and articulate in the guideline, the inherent differences between these supply chains and apply differentiated rules and considerations accordingly. This approach ensures that each entity receives fair and just treatment tailored to its circumstances, thereby promoting equity rather than merely enforcing uniformity.

c. Holistic review of (transparency) requirements

It has long been Boliden's position that the origin of gold and silver is the mine from which it is extracted, rather than the point of separation. Current reporting practices where we are required to declare the majority of gold and silver as originating from Boliden's own smelters, does not in our view support a call for transparency and accountability. As stated in LBMA Annual Report for 2024, "detailing the geographical origins of gold and silver, the CoO data helps maintain the integrity of the supply chain and provides valuable insights into global trade patterns and sourcing practices among leading Refiners." The geographical origin of gold and silver, whether as a precious metal concentrate or mining by-product, should remain geographically the same as this would in turn give the most accurate view into global trade patterns. Gold and silver, even when present as a mining by-product may still reasonably be the economic driver of the mine operations.

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With this example in mind, we recommend taking a holistic view as to what would qualify as a meaningful revision towards genuine improvement in transparency within the sector and what is needed to ensure accountability for when requirements are not met. We appreciate the launch of LBMA's transparency roadmap and invite further discussions into what meaningful transparency entails while also encourage careful consideration of the fact that transparency, when interpreted as public disclosure of data, in itself does not always lead to more responsible sourcing practices. Based on our inputs, in this letter, we caution into presumptions of transparency and enhanced responsible sourcing practices arising from public disclosures as currently envisioned. Instead, we recommend exploring alternative improvements which address the root causes as to why impactful responsible sourcing may still remain an ambition not fully met in the market and the level of information truly needed by stakeholders to enable scrutiny of a company's sourcing practices. Trust must also be able to be placed by the public on the quality of institutional monitoring of its participating sites as well as processes to validate its sourcing practices by trained assurance providers.

d. Strengthened assurance process

We appreciate that LBMA has already recognized the need to further strengthen assurance processes and to develop assurers' competencies. It is important to note that extensive data is already scrutinized on a yearly basis by assurance providers and detailed supply chain data, including transportation documentation, weight and content of deliveries, names of suppliers and countries of origin are already routinely disclosed to LBMA. However, more work is needed to strengthen coherency and accuracy of the audit processes. As already elaborated upon by LBMA, risks exist in the gold and silver supply chains, not least arising from illicit gold entering the markets. This is a risk that must be addressed. However, the real opportunity to scrutinize and address such risks comes through the detailed audit processes and data scrutiny by auditors and LBMA. We would therefore instead recommend reviewing how this can be further developed to ensure a fair market situation, strict due diligence requirements are enforced upon all participating site and that any inconsistencies in data are effectively managed by relevant parties. Robust use of tools available to LBMA, including removal from Good Delivery List when requirements are not met, can be more actively leveraged.

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e. Disclosure of red flag locations

Boliden has, in the past, already voluntarily publicly disclosed any red flag origins of gold and silver (countries of mine of origin). We welcome continued discussion as to whether disclosure of locations is an appropriate public disclosure threshold in so far as the definition of a red flag origin is at an equitable standard among participating sites, instead of the release of commercially sensitive and protected information.

5. Conclusion

Boliden appreciates the opportunity to submit its feedback on this important matter. Genuine transparency and responsible gold and silver supply chains is a concern and ambition which we share with LBMA. We trust our feedback is valuable to enable a continued discussion and review into how we can meaningfully advance responsible business practices, while respecting limitations of public disclosures by companies. Boliden remains committed to a continued constructive dialogue with LBMA and to advocate for strict due diligence requirements for all.

We remain at your disposal for any clarification required.