

Submission to the LBMA Consultation on Disclosure Guidance v3

September 2025

Introduction

As the LBMA controls access to the largest gold trading hub in the world, the organisation has considerable leverage over refineries seeking to sell gold on its market, and as a result, we would expect the organisation to insist upon the highest ethical standards from its member companies.

welcomes the opportunity to respond to the LBMA's Consultation on their proposed revisions to their new [Disclosure Guidance](#) (DGv3), and we look forward to also commenting on the more comprehensive revision of the [Responsible Gold Guidance](#), now scheduled for 2026.

works with our partners to document the human rights harms and environmental damage caused by both large scale mines and smaller artisanal and small scale (ASM) mining, and to seek ways to secure justice and reparations for the harms suffered (see for example, recent publications re. the impact of illegal gold mining on indigenous territories).

also supports ongoing advocacy work to strengthen corporate accountability legislation, both [within the UK](#) where calls for a new law to hold companies accountable if they fail to prevent human rights and environmental harms within their supply chains, and also [at the UN level](#), where negotiations to secure a legally binding Business & Human Rights treaty are gathering momentum.

Comments on Proposed Changes

The proposed new measures build on existing LBMA requirements for public disclosure, as set out in the [2022 Disclosure Guidance](#). These focus in the main on the refineries' own due diligence policies and practices, and say little about the results of those practices, in terms of human rights harms prevented or environmental damage remediated.

The new proposals set out in DGv3 are intended to improve transparency in the gold supply chain, by requiring LBMA member companies to publish substantially more information about their supply chain and in particular the identities of refineries and mines in so called 'Red flag' locations.

Transparency enables Access to remedy

Although warmly welcomes any step to increase the amount of supply chain information published by LBMA member companies, we fear that the piecemeal, and very complicated, approach that the LBMA is taking, leaves considerable room for confusion and omission, whether intentional or unintentional.

In our opinion, this reflects the fact that the LBMA's Responsible Gold Guidance process is based, not unreasonably, on the sector specific [OECD Due Diligence Guidance](#) for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, rather than the more comprehensive UN [Guiding Principles for Business and Human Rights](#) (UNGPs).

A key difference between the two sets of guidance is that the UNGPs include Access to Remedy as a vital third pillar for effective prevention of harm, alongside Governments' duty to protect human rights, and Business' responsibility to respect them, whereas this is missing from the OECD Guidance. If supply chain information is easily accessible in the public domain, affected communities and/or their civil society allies including faith organisations, NGOs and trade unions,

can use this to trace links between often smaller, local companies and the larger transnational company that may be responsible for processing and marketing the gold.

Furthermore many governments particularly in Europe are introducing new legislation broadly based on the UNGPs, which include effective Access to Remedy; as a result, LBMA members trading in Europe will soon need to adapt their due diligence systems to include this third pillar.

Mining is by definition a difficult and disruptive process, which is highly likely to impact on the communities living in the vicinity of a mine, irrespective of the country in which it is located or the care that is taken by the companies involved. Effective stakeholder engagement, facilitated by full supply chain transparency and an accessible complaints process, enables these communities to report their concerns, hopefully at an early stage when effective remediation may be a comparatively simple process. Companies need to see this as a key component of their due diligence practices, rather than as something to be feared or avoided.

Limitations of a focus on ‘red flag’ locations

Notwithstanding our recommendation that the LBMA take steps to integrate the UNGPs into future iterations of its RGG, we now turn to the specifics of the new DGv3, and in particular the requirement to disclose the identity of the refiner and local exporter in so called ‘red flag’ locations.

According to the OECD Guidance, ‘red flag’ locations include locations where the gold originates from or has been transported through a conflict-affected or high-risk area. Conflict-affected and high-risk areas are [defined](#) as areas characterized by the presence of armed conflict, widespread violence or other risks of harm to people, such as “political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence.”

DGv3 then goes on to state “determination of OECD red flag locations must be made” by using three country lists, established under the U.S. Dodd-Frank Act, the EU Conflict Minerals Regulation (known as “[EU CAHRA list](#)”), and the European Commission’s [list of countries](#) with deficiencies in their anti-money-laundering and counter-terrorism measures.

The DGv3 proposals also require refiners to disclose the names of the World Gold Council (WGC) mines that they are sourcing from. This step aligns with the WGC, as WGC members with operating mines have already [committed](#) to doing this. Going forward, full disclosure requirements of mines of origin should extend to mines that are not WGC members, including small-scale mines. We look forward to hearing more about the learning and best practice examples that emerge from the LBMA’s ASM pilot projects, to inform this process.

██████████ position would be that whilst country lists such as those outlined above can help prioritise due diligence efforts, companies also need to recognize that human rights risks are not restricted to specific conflict or high risk locations, and also that these risks are likely to change over time. Thus for example, our partners report, for example, serious human rights abuse, devastating mercury contamination and the presence of organized crime linked to illegal gold mining ██████████ neither of which appear on either of the three lists mentioned in DGv3.

As a result, ██████████ recommendation would be that rather than tying itself in knots over the precise definition of red flag locations, it would be simpler, clearer and more effective, for the LBMA to require disclosure of the whole value chain. This would also reduce the likelihood that due diligence processes result in divestment from specific locations, in particular those involving ASM mining - a concern that we know that the LBMA is keen to avoid.

Full disclosure requirements should also include suppliers of recycled gold. This is important because there are also significant human rights risks in the supply chain for recycled gold, partly because illegally mined ASM gold can be ‘laundered’ via recycling facilities.

Making transparency work for workers and communities

If supply chain transparency is to facilitate access to remedy it needs to be readily accessible, not hidden in the darkest corners of a company website – or even the LBMA platform. Civil society organisations, particularly those in the global South, may not have strong internet connections or the time to trawl through multiple pdf documents, in search of a the name of a specific exporter mining region. As a result, it is vital that in parallel with increasing disclosure, steps are also taken to ensure that this information is easy to access and to search.

Fortunately supply chain transparency has already been more widely adopted within other sectors such as the fashion industry, and increasingly, the food industry. It is also now a core reporting requirement for company members of the UK’s Ethical Trading Initiative. In 2019, the Laudes Foundation supported the creation of the Open Apparel Registry, a searchable online platform where clothing companies could upload their supply chain data, and which anyone could access free of charge. This facility has since been extended to include other sectors, and is renamed the [Open Supply Hub](#). It provides basic supplier identification and location data, which a concerned stakeholder could then use to access the more detailed audit reporting on the LBMA website.

If the LBMA decides to require its members to disclose more comprehensive supply chain information, [REDACTED] would recommend that they approach the OSH and arrange for their members’ data to be included.

Finally, for this Disclosure Guidance to be effective in improving the responsible sourcing of gold traded on the London Bullion Market, it needs to be backed up by comprehensive monitoring of company compliance, and a transparent and efficient incident reporting process. We understand that the review of these LBMA processes has been put back until 2026, and reaffirm our commitment to respond to subsequent consultation processes.

Thus in summary, [REDACTED] recommends that the LBMA should:

- **Identify ways to integrate access to remedy more systematically into its Responsible Gold Guidance, to align with the UN’s Guiding Principles on Business & Human Rights;**
- **Require public disclosure of the whole value chain, to simplify the reporting process and to enable affected communities or workers to identify supply chain stakeholders, to raise concerns and seek remedy;**
- **Mandate its members to use an accessible online platform such as the Open Supply Hub, to report the identities and locations of key supply chain stakeholders, backed up by more comprehensive reporting information on the LBMA’s own website.**

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