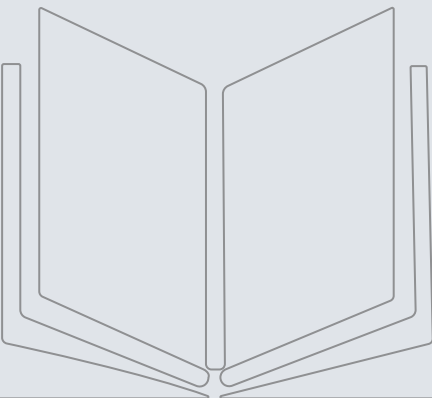


Sustainability & Responsible Sourcing **Report 2024**



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CEO Report

Welcome to LBMA's Sustainability and Responsible Sourcing Report 2024

I am delighted to present the extensive work that has been undertaken by LBMA in driving sustainable and responsible improvements in the precious metals supply chain. This is an ongoing process, but we are making progress and real tangible change in a complex global market.

In last year's Sustainability and Responsible Sourcing Report I discussed how a coalition of the willing was required to drive sustainability in the precious metals industry. I'm pleased to report that LBMA has been joined by many stakeholders in identifying and implementing best practices. We are committed to our goal of positioning precious metals as part of the sustainability solution, not the problem. And I'm proud to say that the industry is making real progress beyond just pledging to make things better.

MAKING STRIDES THROUGH STRATEGY

Launching the Sustainability and Responsible Sourcing Strategy last year has been a huge step forward for LBMA and whole supply chain in terms of transparency and accountability. I'd like to congratulate Sakhila Mirza and her team on, firstly, all their hard work on such an ambitious strategy and, secondly, the work so far which has already gone in to delivering against it. You can find out more about this in the Deputy CEO Report on page 6.

The publication of our Strategy highlights our move to be more transparent in communicating our aims, deliverables, and actions. Another illustration of this goal is the publication on our website of Country of Origin (CoO) data from Good Deliver Refiners. This enhanced reporting data provides clarity on – and confidence in – LBMA's Responsible Sourcing Programme.

The concept of continuous improvement is especially integral to the Responsible Gold Guidance, of which version 10 will be launched for public consultation in 2025.

GBI STRATEGY INTO ACTION

Our work on the Gold Bar Integrity (GBI) Ecosystems aims to digitally trace gold as it moves through the global supply chain, confirming provenance and providing transparency over the chain of custody. We are preparing to launch the GBI Database which promises to enhance the clarity, security, and scalability of information-shared with LBMA and its Refiners and custodians serving as a cornerstone for accurate and timely data flow.

Beyond transparency, we look to see how we can help the most vulnerable in our value chain. Our ASM Taskforce has welcomed beneficial engagement with organisations such as NGOs and other industry stakeholders. This collaboration has helped steer our strategic direction, bolstering our commitment to outreach and crafting the legal, regulatory or compliance frameworks needed to deliver the ultimate game changer: increased sourcing of ASM gold by Good Delivery List Refiners. You can find out more about this work on page 14.

OUR ROLE IN THE RESPONSIBLE SOURCING ECOSYSTEM

Although LBMA administers the Good Delivery system, ultimately, the responsibility to ensure that gold and silver are ethically sourced is shared across the entire industry and with the authorities in the relevant jurisdictions. This means that LBMA's Responsible Sourcing Programme is part of a wider ecosystem that has four key components: industry due diligence programmes, national authorities and law enforcement, downstream actors such as banks, and the support and feedback (including, if necessary, whistleblowing) by NGOs and other stakeholders involved in precious metal supply chains.

Each of these four components of the ecosystem has its expertise and its limitations, but collaboration, intelligence-sharing and



OUR WORK ON THE GOLD BAR INTEGRITY (GBI) ECOSYSTEMS AIMS TO DIGITALLY TRACE GOLD AS IT MOVES THROUGH THE GLOBAL SUPPLY CHAIN, CONFIRMING PROVENANCE AND PROVIDING TRANSPARENCY OVER THE CHAIN OF CUSTODY.

consultation are critical to ensure the highest standards of due diligence for Good Delivery List Refiners and for the wider precious metals industry.

While we recognise there is lots more still to be done, in the spirit of continuous improvement we will continue to strive to deliver against our strategic objectives and to play our part in maintaining a thriving precious metals industry which will stand the test of time.

Our dedication to sustainability and responsible sourcing will not waver as we call on the whole supply chain to join us in our endeavours.

I look forward to any feedback you have on our latest report, which I hope you find informative.

Ruth Crowell
CEO, LBMA

Deputy CEO Report

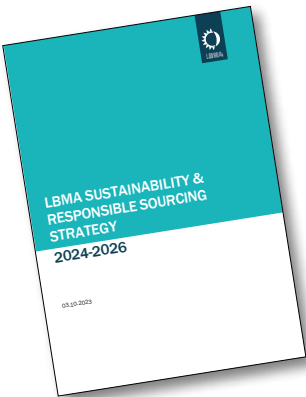
Guided by an Ethos of Continual Improvement

Anyone familiar with LBMA's Responsible Sourcing Programme will know that our approach to Responsible Sourcing is guided by an ethos of continual improvement. This is synonymous with action.

Our Three-year Sustainability and Responsible Sourcing Strategy (2024-2026) is a testament to this. The overarching objective of this Strategy is to adapt and define best practice by identifying what needs to change, determining how to effect that change and then intentionally guiding change in line with our overarching approach of 'continuous improvement'.

Three-year Sustainability and Responsible Sourcing Strategy

LBMA's core values of leadership, integrity and transparency have guided all five focus areas of the Strategy.



View document

Rather than approaching one focus area at a time, we consider how these core values will both inform and propel action as we build on them each year.

The deliverables that we are publicly committed to in year one are highlighted below. Each deliverable will be the result of actions, and each is a measure of progress towards our objective.

LEADERSHIP: MEANINGFUL COLLABORATION AND ENGAGEMENT

Key Deliverable

Undertake a stakeholder mapping exercise to support with the key deliverables.

LBMA cannot implement this Strategy alone. Engagement with valued stakeholders including civil society, LBMA Members and Committees, and industry working groups is already underway as we embark in earnest on the deliverables determined for this year. Through this engagement, we determine priorities and key actions needed to advance mutual goals.

The Sustainability and Responsible Sourcing Summit in March saw an all-time high attendance, providing LBMA with a unique opportunity to bring stakeholders together from across the industry to discuss the areas where there is a need for improvement.

LBMA has been actively engaged with the ISO Working Group on the definition of recycled gold. We understand the need to ensure that we all have a consistent understanding of recycled gold in order to ensure we only have responsible gold in the supply chain. See page 16 for more on recycled gold. Furthermore, engaging with civil society and government agencies has been important to LBMA as is highlighted in this report.

We look forward to continuing those important conversations again in person at the Global Precious Metals Conference this month and urge anyone who is not yet involved to come forward to support. We also want to take this opportunity to thank those already involved for their contributions – we couldn't do it without you.

INTEGRITY: STRENGTHENING OVERSIGHT AND STANDARDS

Key Deliverable

Strategy for Assurance Provider training.

Key Deliverable

Revise mutual recognition policy and process.

LBMA advances and enforces standards for the common good of the global industry, but we also look into possible solutions to pressing issues of concern raised by our Members and the public at large.

Responsible Sourcing Programme

The Responsible Sourcing team has grown over the last year with the addition of a Standards & Assurance Manager and a Responsible Sourcing Coordinator. We have also expanded other teams who support the Responsible Sourcing Programme (RSP), whether it be via due diligence, data, policy or projects.

This is fundamental progress, acknowledging the growth in the Programme's scope and requirements, and ensuring LBMA continues to enforce its own rules.

Assurance Provider Training Strategy

Part of supporting the integrity of the Programme is developing a robust training programme that equips Assurance Providers with the necessary knowledge and skills to provide assurance under ISAE 3000 against LBMA Guidance. To this end, best practice has been considered, and key stakeholders consulted, to gain a better insight into the assurance approach and Assurance Provider training.

In addition, in the coming years, we will be introducing risk-specific training. This year we are launching the Anti-Money Laundering training for Assurance Providers to help them better understand the importance of KYC due diligence in fighting financial crime.

TRANSPARENCY: PROMOTING AND ENHANCING PUBLICATION OF DATA

Key Deliverable

Annual publication of aggregate data on gold and silver origin by country.

Annual Publication of Data

LBMA currently publishes annual Country of Origin (CoO) data for gold and silver, but in line with our ethos of 'continuous improvement', we are now working to enhance this reporting. LBMA's CoO data is an aggregated dataset giving an insight into the global physical flow of gold and silver - from the country or region of origin, where the Good Delivery List (GDL) Refiners source their feedstock, to the country of destination, where the material is refined. This was reported annually in previous iterations of this report, but we now have the full data set available on our website in an easier-to-read format which also allows comparison of regions and comparison of data across four years from 2018. Reporting has not just been enhanced because of how we present it; internally, we now have a dedicated data analyst, and enhanced data checks and sense checks which are carried out when comparing CoO data (input/sourced material) with Refiner output (processed material). However, next year we will be consulting on how to improve reported data and gain feedback from stakeholders on refiners disclosures. Some of that work has already started through our discussions with civil society, but we intend to increase that focus in 2025.

Gold Bar Integrity

Work is now underway on implementing the Gold Bar Integrity project at LBMA in the form of a database where Refiner's will submit their data to LBMA from 2025 onwards. This database will create opportunities for enhanced reporting by creating a timely and efficient method for Refiners to upload data with less room for reporting errors. It is our hope that the GBI Database initiative will eventually provide more granularity and increased frequency of sharing data, which will provide the global market with greater trust and confidence.

COUNTRY OF ORIGIN DATA

LBMA Website

Explore interactive charts and the full dataset download.



Understanding Progressive Improvement

Whilst leadership, integrity and transparency continue to guide our priorities and our deliverables, it's important to also highlight the importance of progressive improvement, and that this is fundamental to support important supply chains such as responsible ASM.

Progressive improvement implicitly accepts that some level of imperfection is the starting point in the journey toward better outcomes. This principle has often been ignored and overshadowed by industry actors more focussed on demonstrating compliance with sourcing schemes, than mentoring and remediating suppliers toward more responsible business conduct. With the launch of our ASM Initiative, LBMA is revisiting this principle, conscious that, in the past, the pursuit of perfection may have unintentionally reinforced ASM's market exclusion.

Looking Ahead to 2025

As we move into 2025, our intentions are to continue building on what we have achieved this year, and ensure that collaboration and collective engagement remain at the very core of our progress.

RESPONSIBLE GOLD GUIDANCE VERSION 10 (RGG V10)

The drafting of RGG v10 will be the mainstay of efforts in year two, and will reflect on learnings from the implementation of RGG v9, and also from feedback from stakeholders. In the spirit of continuous improvement and collaboration, there will be at least two rounds of consultation, as we look to introduce an updated version of the Guidance by the end of 2025.

Implementation will follow in 2026 with the accompanying suite of updated Guidance and Assurance Provider Training to be released beforehand.

ENVIRONMENTAL AND SOCIAL IMPACT

Addressing the environmental and social ramifications regarding the precious metals industry is also a key area under the Sustainability and Responsible Sourcing Strategy. Workstreams in relation to UN Sustainable Development Goals (UNSDGs), biodiversity and human rights issues, will be focal points, as well as providing a suitable roadmap for the reporting of Green House Gas (GHG) emissions. Work is already underway on these measures through collaboration with partners such as the Gold Principles Group. This includes a review of industries across the supply chain and their current position on climate-related matters. A precursor to the work that will follow, the results of this will feed into a more a detailed plan which will be shared next year.

2025 will no doubt be another busy year, and I encourage you all to get in touch and share your feedback.



[View document](#) →



Sakhila Mirza
Deputy CEO & General Counsel, LBMA

LBMA'S CORE VALUES OF LEADERSHIP, INTEGRITY, AND TRANSPARENCY HAVE GUIDED ALL FIVE FOCUS AREAS OF THE STRATEGY.

- 1 Strengthen trust and integrity of the assurance and oversight system for responsible sourcing of precious metal.
- 2 LBMA's engagement with the Artisanal and Small-scale Mining (ASM) sector.
- 3 Strengthen sustainability, integrity, and trust in the gold value chain – bullion centres, refiners, miners, recyclers and traders.
- 4 LBMA's own sustainability.
- 5 Enablers that will support a sustainable precious metals industry.



HAVE YOUR SAY

Submit comments on points for inclusion in RGG v10 – survey on its way in Q4.



LBMA: Our Impact

LBMA is committed to maintaining the highest due diligence standards for sourcing material.

A fundamental aspect of the Good Delivery List is that gold and silver processed through accredited Refiners can be trusted to be responsibly sourced. This chain of integrity is vital to maintaining confidence in the global market and has been the foundation for the continuous development of our Responsible Sourcing Programme.

Loco London Precious Metals Market

LBMA is at the heart of the Loco London Precious Metals Market.

As the global independent precious metals authority, LBMA advances standards for the common good of the industry and is the pre-eminent standard-setting body for the global over-the-counter precious metals market.

GLOBAL GOLD MARKET FY2023

OTC	99.11
Exchanges	61.51
ETFs	2.01
Total	\$162.63 Billion

LBMA Good Delivery List (GDL)

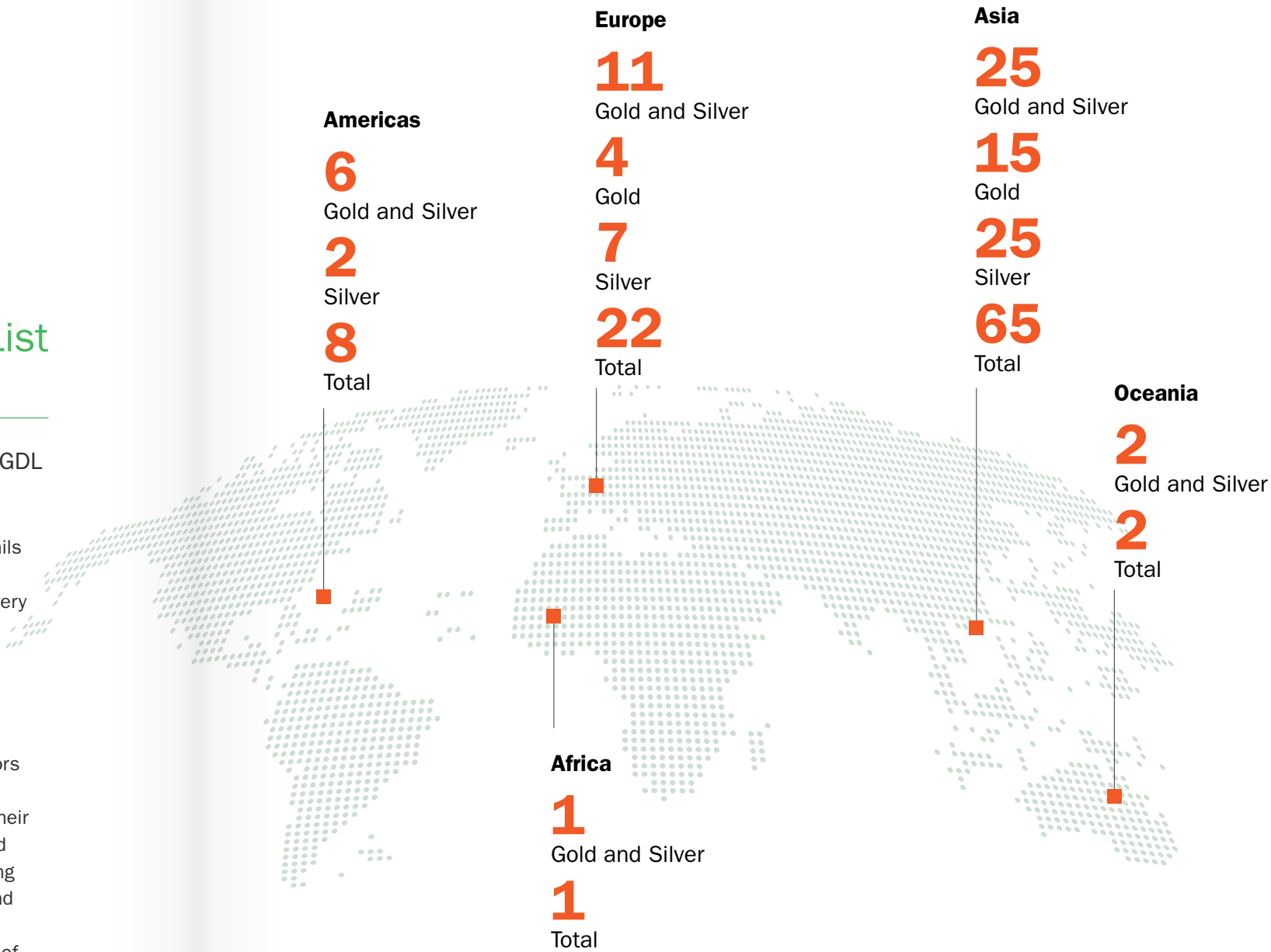
LBMA maintains and administers the GDL List for gold and silver.

This lists the names of Refiners and the details of each respective Refiner's bullion bars that LBMA accredits as acceptable for Good Delivery in the London bullion market and other international markets.

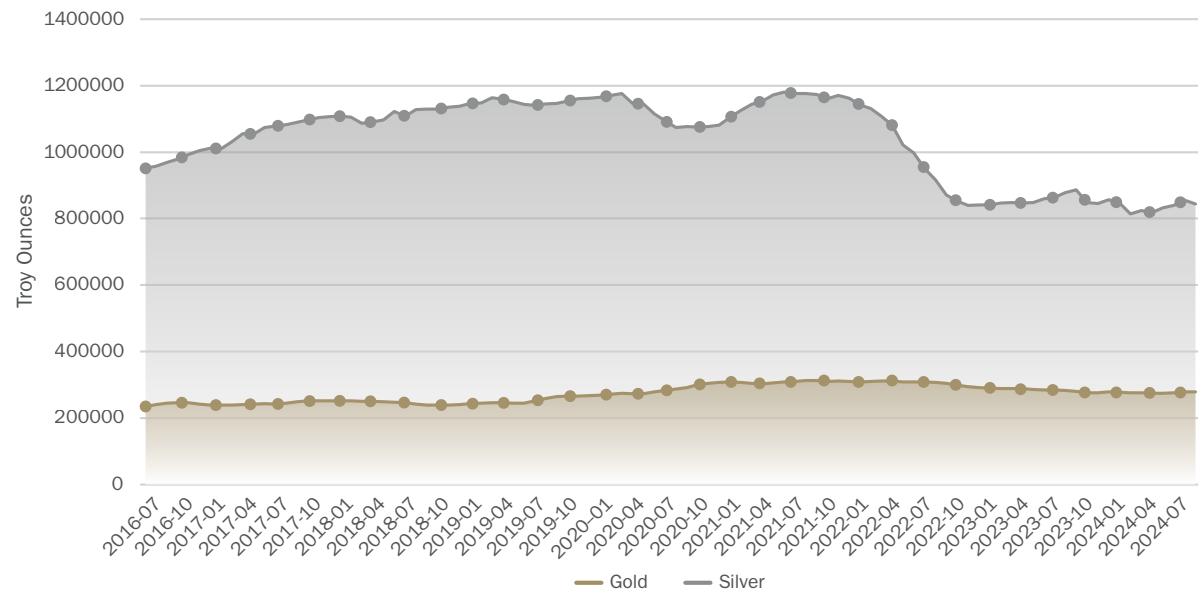
The GDL is widely recognised as the de facto standard for the quality of gold bars and is used by governments, exchanges and investors globally to define, in whole or in part, the Refiners whose production is acceptable in their own markets. A GDL Refiner must comply and satisfy requirements in three areas – spanning due diligence processes, bar specification and responsible sourcing adherence – not just on application, but on an ongoing basis. Breach of the GDL Rulebook may lead to suspension or removal from the GDL, with consequences for the Refiner's reputation and financial standing. The accreditation is a commercial necessity, which makes it easier for LBMA to enforce its standards.

REFINER NUMBERS

64 GOLD	79 SILVER
45 BOTH	98 TOTAL



LONDON VAULT DATA



Sustainability and Responsible Sourcing Overview

Meeting the Challenge of Leadership

The Responsible Gold Guidance (RGG), first issued in 2012, placed LBMA among the first industry schemes to base its Responsible Sourcing Programme on the Five Step due diligence process, outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High Risk Areas.

LBMA has always sought to ensure that the RGG – the 10th iteration of which will be launched in 2025 – remains at the forefront of all emerging challenges and debates related to the governance of the precious metals market.

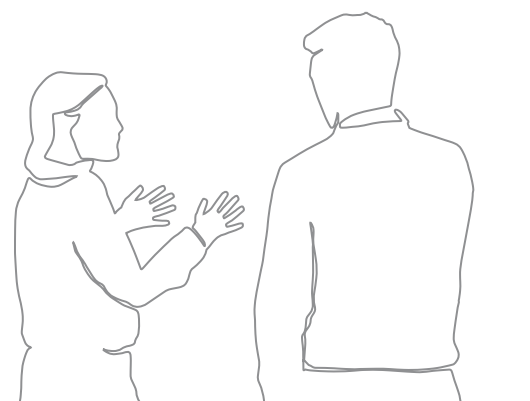
From the first version of RGG, LBMA has been focused on building more modern responsible business practices, reflecting on many issues of concern known to impact the precious metals market - traceability of material, money laundering, child labour, systemic human rights abuses and the use of mercury. Leading financial markets, jewellery companies, investors and consumers understand that LBMA's Responsible Sourcing Programme sets out high standards in ethical sourcing.

In a sign of how far we have come on this journey, it is now unimaginable to consider a world without such a programme to provide confidence to the market, consumers and the broader public.

This said, LBMA can never be complacent to an evolving landscape and new threats. We have to maintain our vigilance and continually strive toward better. In our efforts to do so, we often recall two foundational principles upon which both the RGG and OECD Guidance are premised: continuous improvement and progressive improvement.

The former speaks to the need for industry schemes to never rest on their laurels. Maintaining the status quo is not an option.

And so, with the conclusion of each new iteration of the RGG, we begin the process of identifying further areas of improvement. This commitment to continuous improvement is what keeps LBMA's Responsible Sourcing Programme fit for purpose.



Key Themes over the Last 12 Months

Over the last year, the responsible sourcing agenda at LBMA has focussed on four key areas:

1

ASM AND RECYCLED GOLD

The first is to invest significant energies and resources to address the governance challenges and market exclusion associated with Artisanal and Small-scale Mined (ASM) gold, while also responding to concerns that current definitions of recycled gold support unsubstantiated product claims. At first glance, these issues may seem unconnected, but LBMA considers them two sides of the same coin.

2

PROGRAMME REVIEW AND OVERSIGHT

The second focus has been reinforcing the integrity and credibility of LBMA's Assurance Programme. This primarily consists of the development of a suite of guidance documents that support Assurance Providers before, during and after their annual engagements with GDL Refiners. With 2023 being the deadline by which to implement all new requirements introduced in RGG v9, LBMA has ensured that both GDL Refiners and Assurance Providers understand and meet these requirements, especially with respect to the transparency and disclosure of information. Further information on Refiners' performance can be found on page 22.

3

CIVIL SOCIETY ENGAGEMENT

A third priority seeks to strengthen in-person engagement with civil society partners. These exchanges of views are critical to fostering mutual trust and understanding of each other's perspectives and play an integral role in informing LBMA's improvement to the Responsible Sourcing Programme (RSP). This year, we introduced round-table discussions with a group of NGOs to strengthen communications and transparency.

4

VALUE CHAIN ENGAGEMENT

The previous priorities necessitate a fourth - an increase in communication with the full spectrum of LBMA stakeholders. In addition to publications such as this report and the monthly Responsible Sourcing Newsletter, which inform the market and general public about the day-to-day activities of the RSP, LBMA launched the inaugural edition of the Sourcing Advisory to raise awareness of Good Delivery List (GDL) Refiners and Assurance Providers (APs) to ad hoc sourcing threats and vulnerabilities brought to our attention. As part of efforts to improve the Assurance Programme, the Responsible Sourcing team also increased its dialogue with both entities, proactively providing constructive feedback on the quality and LBMA expectations of assurance reports received during the 2024 assessment period. The result has been the most thorough assurance period since the beginning of the RSP in 2012.

Further details of each of these objectives are outlined further in the report.

ASM Initiative: Agreeing a Pathway for Legal ASM

LBMA's ASM Initiative is first and foremost an effort to address the governance challenges to the global legal gold sector posed by the unsupervised, marginalised and criminalised environment within which the ASM sector is often forced to operate.

By responding to the governance imperative, LBMA is moving toward an amelioration of the reputational damage the status quo poses to legal gold supply chains.

A lot of progress has been made over the last two years. While there is much more to be done, we are confident that the first concrete steps have been taken to promote engagement by GDL Refiners and reverse the avoidance that has hobbled the full potential the sector represents for millions of miners and the economic development of producer countries around the globe.

INTERMEDIATE REFINERS

Supported by our ASM consultant, Gregory Mthembu-Salter, LBMA also engaged with several intermediate refiners and aggregators in Ghana, Peru and Tanzania, encouraging them to undergo an assessment process led by the Responsible Mineral Initiative (RMI). The cost of an initial assessment is free for participants supported by the RMI member companies' contributions, facilitating the process of undergoing an OECD aligned assurance by which intermediate refiners can demonstrate their due diligence policies and practices. Securing RMI's conformance builds the credibility of prospective intermediate refiners while providing GDL Refiners with additional comfort that they are dealing with an established and credible supplier.

Another key focus of the Initiative in 2024 was to expand our engagement with producer governments. During the March 2024 Sustainability and Responsible Sourcing Summit in London, LBMA welcomed a delegation from Ghana representing most of the agencies working on the permitting and oversight of the ASM sector.

A few months later, Mthembu-Salter undertook a ground visit to Ghana accompanied by representatives of MKS-PAMP and Rand Refinery. A similar trip is planned for Peru in October with PX Précinox and the Swiss Better Gold Association.

During the OECD Forum on Responsible Mineral Supply Chains in May, LBMA also held discussions with Geita Gold Refinery (GGR), a Tanzanian intermediate refiner which successfully completed the RMI assessment and is seeking to supply GDL refiners with ASM material. GGR has also partnered with LBMA member StoneX to implement the Geoforensic Passport, co-developed by Dr. Barbara Beck and Metalor Technologies, to address concerns conflict-affected material from neighbouring Congo might impact its supply chain. The open-source tool allows users to build a geological profile for all ore received, providing assurance on the origin of material, detecting foreign amalgam material and thwarting potential illicit streams. Gold by Gold, Colombia-based intermediate refiner which was the first to gain RMI conformance, has successfully undergone its RMI re-assessment this year and is also seeking to supply GDL refiners. A number of other intermediate refiners are in the process of their RMI assessment.

The ASM Initiative also complements the current work of the World Gold Council (WGC) and its efforts to promote an Artisanal and Small-Scale Gold Mining Domestic Purchase Programme (ASGM DPP) with Central Banks.

LONDON PRINCIPLES

In June 2024, a vanguard group of four Central Banks from the Global South committed to the 'London Principles', a set of operating values to help structure and formalise domestic purchasing by Central Banks. The Principles mirror the key requirements of LBMA's ASM Toolkit, including the recognition of progressive improvement and a requirement that all material be refined by a GDL Refiner. These Central Banks are part of a wider group of seven, who are working with the WGC and supporting institutions to share best practices in interacting with ASGM.



Weighing out 21 carats of gold collected by artisans.

ASM TOOLKIT

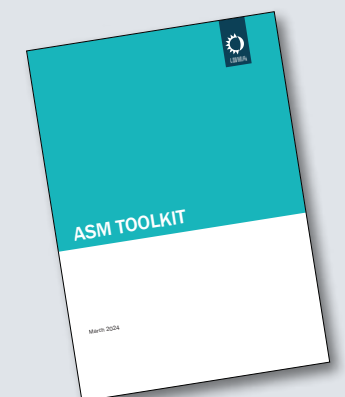
Guided by a taskforce comprising of some of the most knowledgeable practitioners in due diligence, ASM mining and responsible supply chains, the most significant development was the release during LBMA's Sustainability and Responsible Sourcing Summit in March 2024 of an ASM Toolkit to guide GDL Refiners in their onboarding of potential ASM suppliers.

Composed of a list of necessary yet achievable due diligence requirements, the Toolkit introduces for the first time the concept of progressive improvement into a LBMA guidance document. This approach - aligned with the OECD Due Diligence Guidance - allows ASM suppliers to meet certain requirements over time, rather than at the point of onboarding by Refiners.

While basic regulatory and know-your-customer (KYC) information is mandatory before a commercial relationship can commence, other requirements - such as developing a mine closure plan, improved mining practices or removing mercury entirely from their operations - can be progressively implemented and strengthened over time.

Progressive improvement is a core tenet of the sourcing models championed by the Swiss Better Gold (SBG) Association and the CRAFT Code developed by the Alliance for Responsible Mining. Both are members of the ASM Taskforce. LBMA is currently working with both organisations to define the acceptable timeframes by which such requirements should be met.

Following the Toolkit's release, several refiners and the SBG began to test its use with their current and potential ASM suppliers in Peru and Ghana. As the Toolkit is a living document, LBMA will consider their feedback and make any necessary tweaks to the criteria over the course of the year.



[View document](#) →

Recycled Under the Spotlight: Towards a Definitional Refresh

The recycled market is a diverse sector, with some unique risks and legitimate trade characteristics. Because of the intrinsic value of gold, no material goes to waste, creating a circular market where previously refined material - particularly from the jewellery and manufacturing sectors - comes back to GDL Refiners for further processing.

Over the course of the year, LBMA engaged in several discussions related to the recycled market, particularly around the need to revisit material definitions to address public concerns of 'greenwashing' in relation to certain product claims.

Product claim definitions for recycled gold are being used and discussed by many groups as there is a premium associated with recycled gold products; however, LBMA has prioritised participation in the process being carried out by the ISO 21261 Working Group.

By supporting the ISO Working Group, LBMA accepts the necessity of collectively agreeing one workable product claim definition that can be applied across the precious metals market. This is currently not the case, leading to confusion among industry participants and opening the door to potential abuse and false claims. The ISO process also complements research led by the Roundtable on the Responsible Recycling of Metals (RRRM). One of the main conclusions of a report the RRRM issued in May 2024 was for industry groups to rethink the current 'halo' around recycled material and elevate its risk profile to the same as mined material. The report also highlighted the need for more stringent requirements by industry groups both to prove the origin of material and validate the chain of custody surrounding the material.

LBMA agrees with this approach. Our current definition already defines recycled gold with regard to due diligence requirements, not for product claims, and is consistent with the OECD Due Diligence Guidance.

RECYCLED GOLD AND DUE DILIGENCE

We believe the best way to increase the integrity and transparency of recycled material is through enhanced sourcing requirements. During the drafting of RGG v10 in 2025, we will revisit our recycled gold definition in light of the ISO process. Any changes to this definition will consider the difference between secondary material for due diligence purposes and 'recycled' material for product claims.

In our view, there are several related interventions - not just the definition itself - that could improve the oversight of the sector. Strengthening the due diligence infrastructure surrounding the recycled market and addressing the governance challenges in the unsupervised, and largely illegal, artisanal and small-scale gold sector (ASGM) are equally as important.

LBMA has already moved to implement additional due diligence requirements. Version 9 of the Responsible Gold Guidance (RGG v9 - in force since January 2022 - introduced measures designed for GDL Refiners to ensure their intermediate refiners (i.e. non-GDL Refiners) operating in high-risk jurisdictions undertake an OECD-aligned assurance of their supply chains.

This is significant as it extends, for the first time, due diligence practices to the secondary market, which was previously outside any due diligence framework, and impedes criminal elements seeking to mask the true origin of material and evade necessary due diligence. We remain committed to tightening such requirements in future iterations of the RGG.

The definition of recycled gold is not the end game for LBMA; the focus has to be on how the controls are managed on non-recycled gold getting into refineries. Due diligence on recycled gold (or secondary material) is just as critical as on ASM supplies, as the governance concerns are often linked. If we are to put an end to gold laundering, due diligence must be strong for both primary and secondary material.

In this regard, we view the key objectives of the ASM Initiative to be a tangible and good faith effort by LBMA to apply appropriate due diligence and attract more legitimate ASM feedstock to the GDL system, rather than the secondary markets where it gets mixed into recycled supply chains.



Melting down jewellery in a foundry.

Responsible Sourcing Programme Development

SPOTLIGHT ON IMPLEMENTATION

It is no exaggeration to say that maintaining public trust in the Assurance Programme is critical to the credibility of LBMA's Responsible Sourcing Programme.

Our commitment to the continuous improvement of our policies and practices is measured by our responsiveness and adaptability to emerging trends and challenges, as well as public feedback on our performance.

Launching a new version of the RGG requires broad consultation and agreement across a range of actors to ensure both the credibility and effectiveness of implementation. LBMA expects Refiners to understand the expectations of the new requirements and meet the evolving public expectations of responsible business conduct.

RGG v9 - issued in January 2022 - was one of the most consequential updates ever undertaken by LBMA. It introduced a raft of new obligations spanning greater transparency and disclosure of information, to broadening the due diligence burden to second tier suppliers.

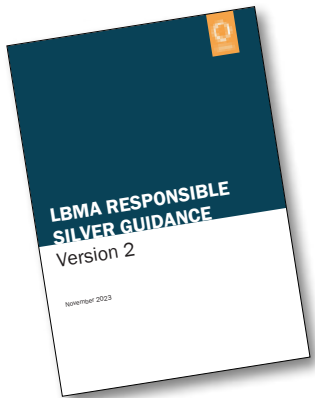
With the release of any new Guidance document, Refiners are given one-year to implement the

necessary changes to policies, operations and commercial contracts.

The 2024 review period marked the second year of implementation for RGG v9 but the first time Refiners were assessed against all the new requirements introduced under version 2 of the Disclosure Guidance (DG), the document that supports Refiners in meeting their reporting and disclosure requirements. The Third Party Assurance Guidance (TPAG), which provides similar direction to accredited LBMA Assurance Providers (APs), was introduced at the same time in January 2023 - marking the first revision to both documents since the launch of the Responsible Sourcing Programme in 2012.

Adding to this was the launch of version two of the Responsible Silver Guidance (RSG2), effective as of 1 January 2024. (See below - Responsible Silver Guidance Revision: Key Changes)

Since the launch of RGG v9, LBMA has worked with Refiners and Assurance Providers to encourage more fulsome and detailed transparency and disclosure in both their confidential management reports and their public-facing compliance reports.



[View document](#)

RESPONSIBLE SILVER GUIDANCE REVISION: KEY CHANGES

The changes to the RSG v2 align it with the RGG v9, while also addressing the differences between the two markets.

What are the key changes?

- Removal of the de minimis threshold
- Clarity on due diligence expectations regarding the responsible sourcing of recycled silver
- The elimination of cash transactions except for Artisanal and Small-scale Mining (ASM), where transactions will require approvals
- Clarity on the origin of material, such as an integrated approach to risk assessment and strengthening the due diligence processes

- Further detail on ESG risk assessments
- Risk mitigation requirements clarified and aligned with OECD Due Diligence Guidance
- Rotation of auditors every 10 years and annual assurance checks to promote auditor independence and audit quality
- Mandatory conformance with Disclosure Guidance to promote better reporting practices

Refiners will have 12 months to meet this new guidance.

Supporting the Integrity of LBMA's Assurance Programme

In recognition of the critical role the Assurance Programme plays in assessing and validating Refiners' conformance with the RGG, significant time and resources have been invested in improving the training and oversight of Accredited Assurance Providers.

In early 2024, LBMA released a suite of guidance documents to support Assurance Providers before, during and after their annual engagements with GDL Refiners. These include:

An **Assurance Providers Toolkit** that delivers additional support in instances when there is a disagreement or need to push for greater clarity and comfort about a Refiner's policies and practices.

A **Pre-Assurance Assessment form** that Assurance Providers should submit to LBMA outlining such things as their findings from open-source research conducted on the auditee Refiner prior to their site visit, their proposed sample size of records they plan to test and a list of documents they will review during the assurance.

A **Guide to Completing Refiner Data** and an amended **Refiner Data Collection Form**, designed to enhance the analysis of Country of Origin (CoO) data submitted by Refiners to LBMA as part of their annual assurance reporting.

A **Non-Conformances Template** to ensure consistency by Refiners in their submission of Corrective Action Plan (CAP) if a high-risk or medium-risk non-conformance has been identified during the assurance and/or if the Refiner fails to satisfy one or more of the requirements set out in Steps 1-5 of the Responsible Gold Guidance or Responsible Silver Guidance.

These documents are intended to complement - not replace - the TPAG and DG, with a view to strengthening the overall implementation of the RGG, RSG and assurance requirements.

The introduction of these additional tools all speaks to a wider effort to strengthen the consistency of implementation of the Responsible Sourcing Programme and the knowledge base of Assurance Providers.

The introduction of the non-conformance and CoO templates has reduced classification errors and led to greater efficiencies in how such data is screened and analysed. Prior to this, the tallying of non-conformances (for purposes such as this report) was done manually, and the granularity of information such as sub-step or reasons for the non-conformances was confined to the management assurance report. The CoO template has resulted in less human error in the submission stage and provides for a more efficient way to import the data into an internal database created by the Compliance team in 2023. CoO templates undergo several layers of review during the assessment stage. Within 24 hours of receipt of a Refiner's assurance reports, the Responsible Sourcing team conducts a preliminary scan of the source countries to gain comfort that there are no breaches of international sanctions regimes. Any concerns are immediately flagged and escalated to senior leadership for action. During the formal review, the data is compared to the previous year, with a close focus on any anomalies, high-risk supplying countries, or jurisdictions with no known or plausible gold deposits. Any concerns are raised with both the AP and Refiner during the assessment phase, including a verification of origin and classification of material, the reasons behind any noticeable spikes and the details of enhanced due diligence applied to high-risk sources.

AVAILABLE GUIDANCE DOCUMENTS

- [Assurance Providers Toolkit](#)
- [Guide to Completing Refiner Data](#)
- [Refiner Data Collection Form](#)
- [Non-Conformances Template](#)



Tongs reaching into a furnace.

Toward Greater Transparency and Disclosure by Refiners

One of the most significant developments in 2024 was providing the identity and location of high-risk suppliers in their Country of Origin filings.

The disclosure of high-risk suppliers is an important step towards meeting elements of Footnote 59 in the OECD Due Diligence Guidance, and responds to calls for greater transparency by civil society groups. The Footnote speaks of disclosing such information - subject to certain

commercial sensitivities - to an “institutionalised mechanism” that is either regional or global in scope.

While LBMA remains committed to greater transparency and disclosure of information, in discussions with various stakeholders (including the OECD and civil society groups), it became apparent that greater clarity was needed as to what constitutes a universally accepted “institutionalised mechanism”. In an effort to advance discussion and forge consensus on such questions, LBMA approached the OECD in May to ask them to moderate a discussion with affected industry audit schemes and civil society organisations. A meeting is tentatively scheduled for the latter part of the year.

LBMA-EU Alignment Update

During the first half of 2024, LBMA completed a second alignment assessment in order to become a recognised industry scheme under the EU Conflict Minerals Regulation (CMR). This recognition is important for GDL Refiners importing gold bearing material into the EU as it would allow them to rely upon their annual assurance reports to demonstrate conformity with the CMR, rather than commission a second assurance to satisfy the law.

A previous assessment by Kumi Consulting, the independent assessors hired by the European Commission, faced delays and significant logistical challenges due to the Covid-19 pandemic. Assessed against version 8 of the RGG, Kumi Consulting’s 2023 report concluded that while that iteration of the RGG was largely aligned to the OECD Due Diligence Guidance, LBMA’s Programme was scored “partially aligned” due to uneven implementation of the RGG by some Refiners and Assurance Providers.

Because partial alignment had been achieved, LBMA was invited to make a second application, requiring the shadowing of only two GDL Refiners during their annual assurances, rather than the five required during initial assessment.

As part of the second evaluation, LBMA submitted extensive documentation outlining the material changes introduced in RGG v9, as well as improvements developed to support Assurance Providers in the course of their work. Both efforts closed off shortcomings identified in the first assessment. As part of the assessment, LBMA leadership was also interviewed by Kumi in March, providing additional context and explanation to our processes. Once Kumi’s second assessment report is submitted to the European Commission an internal review process will begin. LBMA will then be provided with an opportunity to respond to Kumi’s report. If the second assessment is successful and LBMA’s Programme is scored as “fully aligned”, the application would then proceed to the approval stage with individual member states of the EU.

While the approval timelines are beyond LBMA’s control, we expect to receive a provisional response from the European Commission by the end of the year.

Refiners' Responsible Sourcing Performance 2023

Overview

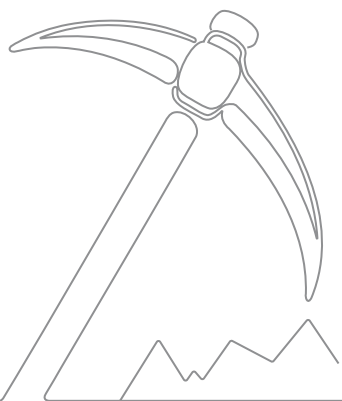
Overall Refiners have continued to improve their systems and controls, with a lower number of non-conformances reported, as well as fully implement the requirements of the Disclosure Guidance 2. This was the first year that the Refiners had to disclose list of high-risk suppliers (see page 21).

The first assurance reports were delivered to LBMA at the end of March, with a priority given to reviewing Refiners with higher-risk or more complex supply chains. This was done to test how well the disclosure of high-risk suppliers was being met by Refiners.

Refiners were inconsistent with the implementation of this disclosure requirement. In order to clarify our expectations, a notice was sent to all Refiners outlining the necessity of this disclosure and how any delay or failure to provide it would impact the approval of their reports, and therefore the issuing of their LBMA certificate.

Refiners were also reminded of their obligations to share greater detail in their assurance reports, particularly instances in which enhanced due diligence or risk mitigation was triggered and what measures were taken.

Where a Refiner did not include all the necessary disclosure, the review process was paused until the Refiner either satisfied the requirement or provided a plausible justification that it did not apply to its supply chain. Disclosures of high-risk suppliers was reviewed against the Refiner's Country of Origin data and challenged by the Responsible Sourcing team. In some instances, this required the Refiner being asked to disclose how it assessed the risk level of suppliers in certain jurisdictions and to provide their identities nonetheless.



Non-Conformances: Trends and Moving Forward

Identification of Non-Conformances (NCs) during assurance engagements is a useful tool for the market to understand the progress of Refiners in improving their responsible sourcing practices.

This section provides some insight into the NCs declared for FY2023 so far (with 85 of the 99 GDL Refiners having submitted their annual assurance reports as of July), as well as a consideration of FY2022 reports that arrived after the publication of the last year's Sustainability and Responsible Sourcing Report.

A key observation we noticed when analysing the NCs across GDL Refiners was the dip in overall numbers as management systems were adjusted to conform with all the new requirements. Generally, for the year following the release of a new version of the RGG, there is a spike in NCs, after which the necessary corrective measures are taken, and the numbers trend downward in subsequent years. This has proved true in the review of the FY2023 reports, with the culminative number of NCs dropping from 149 to 88 NCs compared to FY2022.

With the launch this year of version 2 of the Responsible Silver Guidance, we expect a similar trend among our silver-only accredited Refiners next year.

In anticipation of this, LBMA is encouraging silver-only Refiners to familiarise themselves with the Guidance and to reach out to LBMA with any questions.

Non-conformance often indicates how robust and effective a Refiner's management systems are. These systems determine how the business operates and engages with stakeholders, regulates the supply chain policy expectations of its counterparties, supports its employees to do their jobs successfully and keeps check on internal processes. A strong management system will be well prepared to handle the growing demand for increased engagement in and disclosure on the Refiner's policies and practices.

With respect to the FY2023 non-conformances, those related to Steps 1.1 (low risk), 2.1 (across all levels), and 2.2 (high risk) saw the biggest decreases in frequency, while also remaining the most common source of NCs overall.

LBMA GUIDANCE FIVE STEPS

- 1 Establish Strong Company Management Systems
- 2 Identify and Assess Supply Chain Risks
- 3 Design and Implement a Management Strategy to Respond to Identified Risks
- 4 Obtain Independent Third-Party Assurance on Supply Chain Due Diligence Practices
- 5 Report Annually on Supply Chain Due Diligence

THE FOLLOWING THEMES ACCOUNT FOR THE MOST COMMON DEVIATIONS FROM THE GUIDANCE:

STEP 1

ESG and environmental management provisions in supply chain policies

Effective management oversight on counterparty documentation progress

Employee training

Counterparty supply chain agreements

Accessibility and anonymity of grievance mechanisms

STEP 2

Incomplete KYC and Due Diligence documentation

Conducting site visits

Within the NCs we observed an uptick for those relating to incomplete Due Diligence documentation (particularly relating to missing information on material transport routes between mines and Refinery) where the issue is systemic (rather than occasional) or is a recurring lower NC from previous years. This partially explains the elevation of risk levels among the NCs, as incomplete due diligence impacts a Refiner's ability to accurately assess the risk level of its counterparty and apply the appropriate risk mitigation or enhanced due diligence. Under the RGG, unresolved NCs from previous years are also automatically elevated to a higher level (medium or high), necessitating a Corrective Action Plan that demands that the Refiner resolve any shortcomings within a specified timeframe (90 days for medium NCs and one month for high NCs).

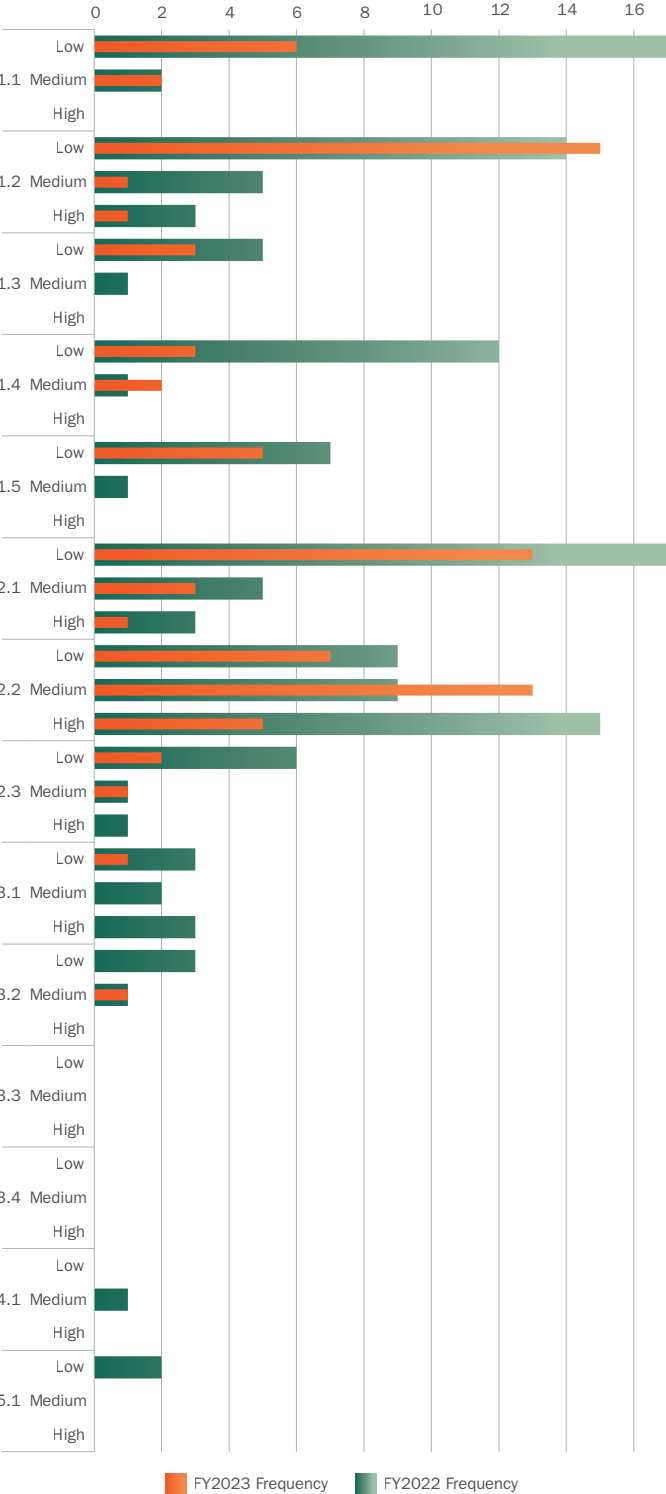
While non-conformance instances with Step 3 (risk mitigation) have dropped, this is a part of the compliance reports where the disclosure could be significantly improved.

As mentioned in the previous section, in assessing assurance reports, the Responsible Sourcing team has been interested in not only the validation of certain sourcing policies by Assurance Providers, but details of the instances and ways in which they have been used.

If a Refiner did not implement any risk mitigation or enhanced due diligence measures during the past year, we also expect this to be expressly validated in its assurance reports.

With ESG factors growing in importance with RGG v9 (and on the broader sustainability landscape), a greater focus has also been placed on assessing how ESG-specific risk identification and assessment processes are incorporated into Refiners' operations and supply chain policies. This has been identified as another area of improvement and where LBMA will provide additional support to GDL Refiners in future years.

FY2022 VS FY2023 NON-CONFORMANCES



NON-CONFORMANCES BY NUMBERS

19
RELATED TO INCOMPLETE OR MISSING KYC DOCUMENTATION

7
RELATED TO REFINER'S ESG EFFORTS

4
RELATED TO BOARD-LEVEL OVERSIGHT

3
RELATED TO INCOMPLETE SHIPPING INFORMATION

2
RELATED TO STEP 5 DISCLOSURE

An aerial view of the Mucajai River, Roraima, Brazil.

Refiner Performance: Disclosure Showcase



TANAKA (JAPAN)

Tanaka outlines its risk mitigation procedure in great detail, specifying how it conducts initial due diligence assessments based against a categorisation of ‘location,’ ‘supplier’ and ‘material’ risks. The Refiner spells out the documentation it reviews during its KYC assessment of a customer, the different steps of the due diligence process, and the chain of personnel with escalating oversight and reporting responsibilities. It discloses that it sources from no high-risk suppliers but provides a comprehensive outline of how the enhanced due diligence would be applied if triggered. Tanaka provides a positive attestation that it was not involved in any police actions nor did it refer any suspicious transactions to authorities during the last year.



ANGLOGOLD ASHANTI (BRAZIL)

The Refiner’s compliance report includes excellent disclosure throughout, but is most noteworthy for descriptions of its remediation efforts (suspension of activities and environmental assessments) related to some of their tailing storage facilities (TSFs). Continuing the good ESG disclosure from FY2022’s reports, they also provided an update on legal and regulatory actions against the Refiner. AngloGold’s reports exemplify the positive impact that honest and fulsome disclosure on ESG matters can have. Transparency such as this serves as a good template for other GDL refiners looking to improve future reporting on any ESG risks.



SAXONIA (GERMANY)

Saxonia has a dedicated client onboarding system by which KYC documentation is received from a potential supplier, assessed against RSG requirements and issued a risk rating. Any suppliers identified as high-risk must then be reviewed and approved by senior management, whereby either enhanced due diligence is carried out or a decision is taken to not pursue a business relationship. Saxonia’s primary risk identification/mitigation strategy includes the restriction of sourcing to recycled materials from the European mining operations of copper, lead and zinc, where precious metals are extracted as by-products. Saxonia’s risk mitigation strategy also includes requesting full supply chain transparency. If that information is not provided, it offers support to gather and provide the required information. If no transparency can be established or the sourcing remains doubtful, it ceases the relationship.

Including this information in public-facing documents provides stakeholders and members of the public with the necessary assurances that Saxonia has the robust due diligence measures in place to not only comply with the Responsible Sourcing Programme, but to ensure that its business operations adhere to strict due diligence processes and pre-determined procedures to ensure accountability and responsibility for its supply chain.



INCIDENT REVIEW PROCESS

Over the last year, LBMA engaged three Refiners and one Affiliated Member to address either potentially serious sourcing issues or a failure to meet the standards set out in the Responsible Gold/Silver Guidance and the LBMA Rules for Members.

Dowa Metals & Mining Co Ltd and Korea Zinc Co Ltd

The Incident Review Process (IRP) was invoked against both Refiners in August 2023 following a review of the true country of origin of precious metals contained in base metal concentrates.

Following the conclusion of the IRP, LBMA did not find any instances of zero-tolerance non-conformance.

PT Aneka Tambang Tbk (Logam Mulia)

An IRP was launched against PT Aneka Tambang Tbk (Logam Mulia) in June 2024 following the launch of a criminal investigation by the Indonesia Attorney General’s Office. The investigation is looking into concerns about the actions of former general managers relating to the Refinery’s brand stamping operations from 2010 to 2021.

The IRP is ongoing at the time of writing and LBMA will provide further updates once the review process has concluded. The Refiner is cooperating fully with LBMA.

VPower Finance Security (Hong Kong) Ltd

In June 2024, LBMA moved to immediately revoke the membership of VPower after its designation on a Russia-related sanctions list maintained by the US Office for Foreign Asset Controls (OFAC).

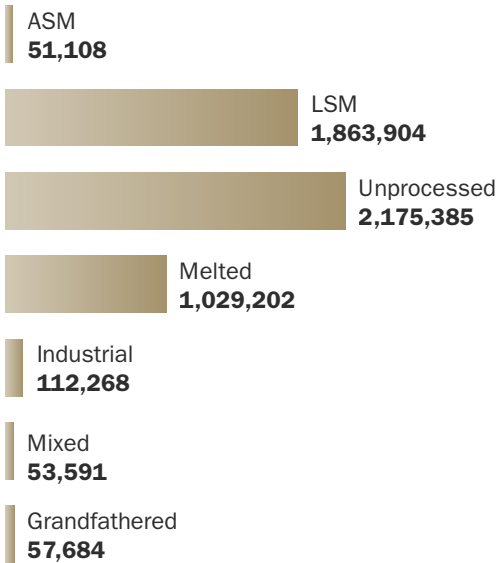
Country of Origin Data 2022

Overview

The Country of Origin (CoO) data presented in this report provides essential transparency on the origin, form and volume of feedstock sourced by Good Delivery List (GDL) Refiners. It sheds light on the global movement of gold and silver, offering insights into where and how these materials are sourced and processed.

This dataset supports LBMA's Responsible Sourcing Programme, allowing further scrutiny of a Refiner's supply chain and enabling queries to Assurance Providers about their reports.

DISTRIBUTION OF GOLD SOURCING BY ASM, LSM AND RECYCLED CATEGORIES (KGS)

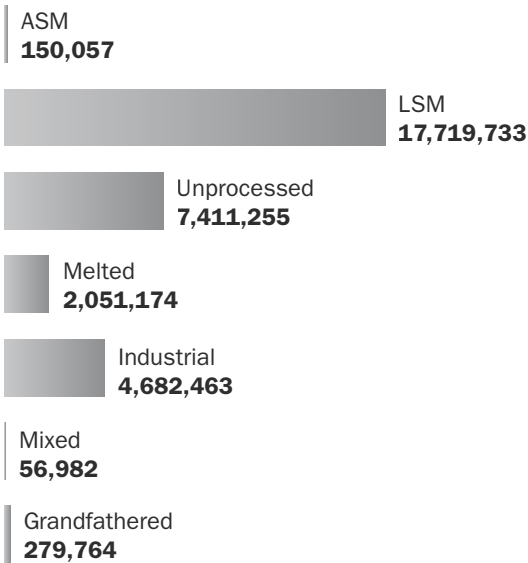


By detailing the geographical origins and processing methods of gold and silver, the CoO data helps maintain the integrity of the supply chain.

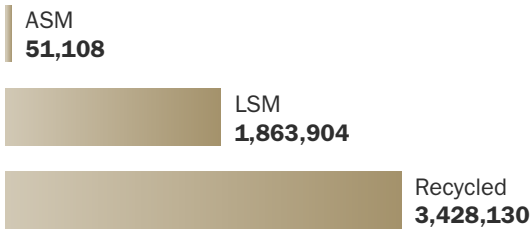
While Russia remains in the dataset, it is important to note that Refiners sourcing material from Russia have confirmed that all such materials were delivered prior to the imposition of sanctions. This assures compliance with international regulations and supports the reliability of the reported figures.

Overall, CoO data not only bolsters LBMA's Responsible Sourcing Programme but also provides valuable insights into global trade patterns and sourcing practices among leading Refiners.

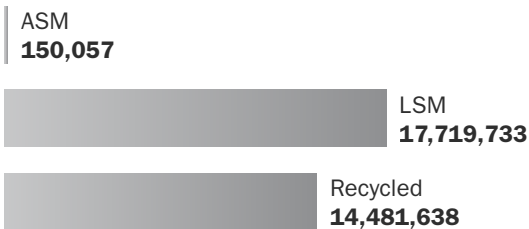
DISTRIBUTION OF SILVER SOURCING BY ASM, LSM AND RECYCLED CATEGORIES (KGS)



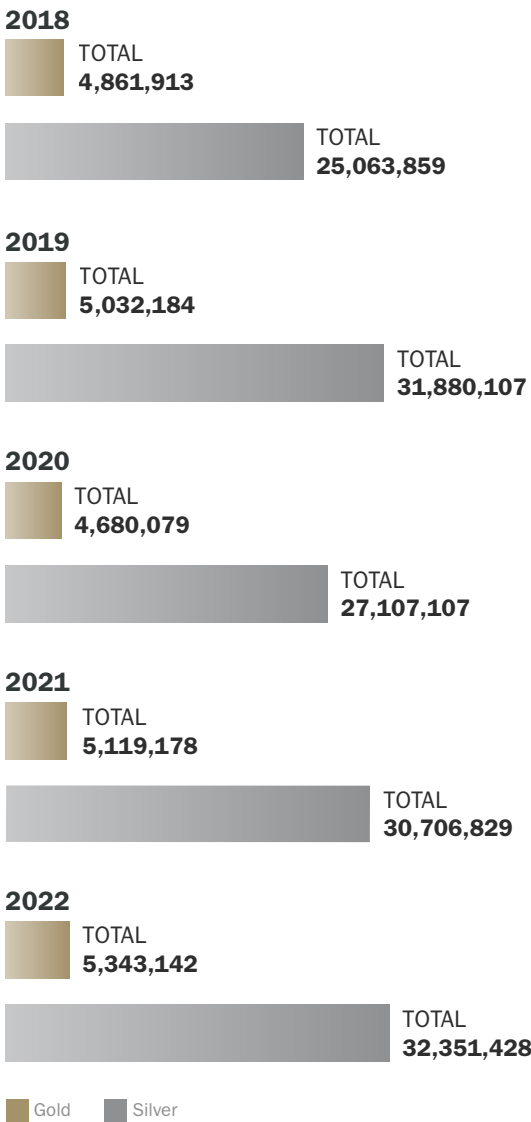
DISTRIBUTION OF GOLD SOURCING BY ASM, LSM AND TOTAL RECYCLED (KGS)



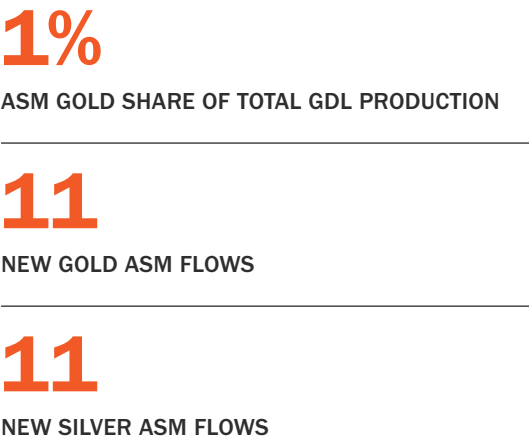
DISTRIBUTION OF SILVER SOURCING BY ASM, LSM, AND TOTAL RECYCLED (KGS)



YEAR ON YEAR CHANGES OF TOTAL GOLD AND SILVER MATERIAL SOURCED (KGS)



KEY HIGHLIGHTS AND FIGURES



Methodology

Data is collected from GDL Refiners through their annual Responsible Sourcing Assurance. Each assurance must include a confidential annex detailing the origin of every kilogram of gold and silver and the type of process used (ASM, LSM, or recycled).

This data enables LBMA to create a matrix showing where gold and silver are produced and where they are refined.

Data is then standardised to ensure consistency in units, country codes, and conversion rates, and consequently aggregated to protect confidentiality.

Destination countries and regions are grouped as follows:

- Countries with four or more Refiners are listed individually.
- Regions with only one Refiner are grouped with the nearest geographical region.
- Countries meeting the first criterion are excluded from regional groups to avoid double accounting.

LIMITATIONS

Definition Variability: Definitions of ‘recycled’ material may differ across sources, affecting comparability.

Data Inconsistencies: Manual data entry and variations in reporting standards can introduce errors.

Time Period: Data is based on financial year ends, which may differ from calendar years, complicating comparisons with other data sources.

DATA VALIDATION

Data is cross-checked against refinery outputs and previous years’ data to identify discrepancies. The data is then reviewed by Metals Focus for independent review.

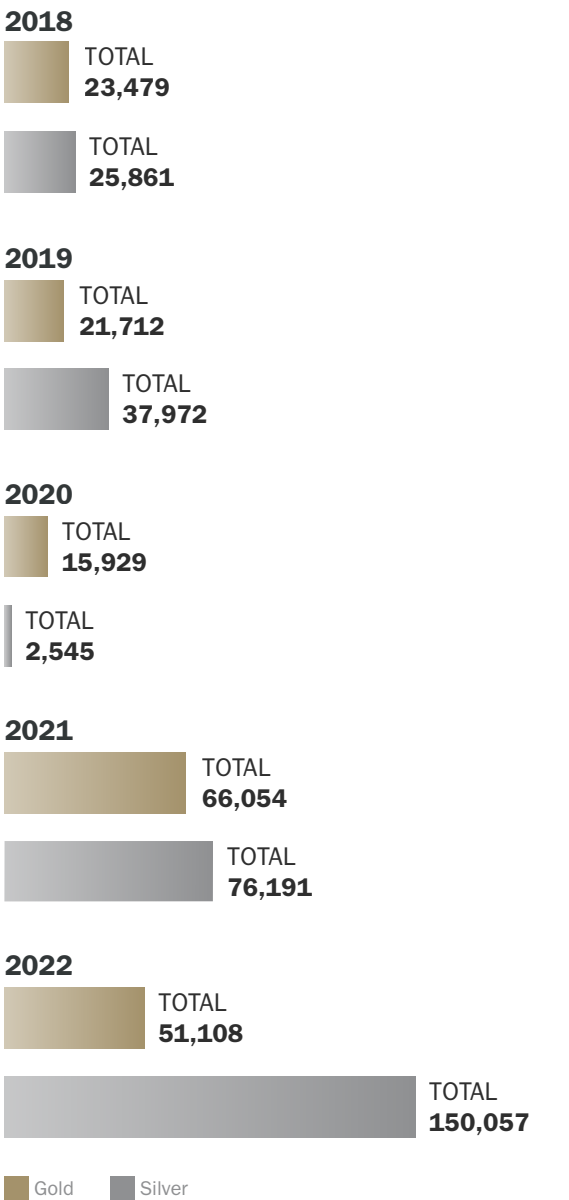
This methodology aims to ensure accurate and transparent reporting of CoO data, with ongoing efforts to address limitations and improve data reliability.

Artisanal and Small-scale Mining (ASM)

The 2022 data for ASM gold shows a dynamic landscape with notable declines in some regions and emerging contributions from others.

Established ASM gold origins such as China (-78%) and Brazil (-47%) experienced significant reductions. However, new contributors, such as Ecuador (2.6 tonnes), the Philippines (7.2 tonnes) and the United States (1.2 tonnes), emerged as significant sources. Canada and Ghana, previously minor players, saw substantial increases, indicating broader participation and increased transparency within the sector.

ASM GOLD AND SILVER GROWTH FROM 2018-2022 (KGS)



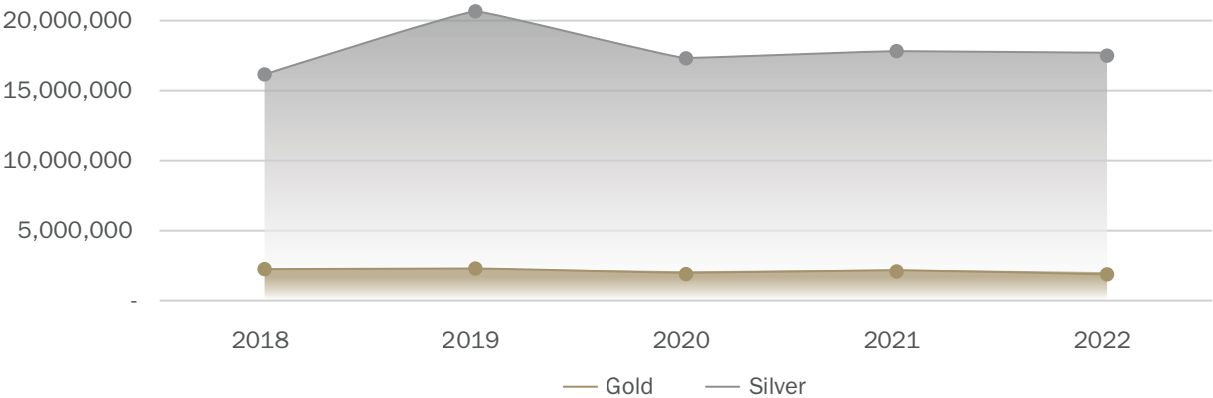
Traditional contributors such as Peru remained stable, while Colombia experienced moderate growth. The diversification in ASM gold sourcing is further underscored by new contributions from regions such as Malaysia, Mexico, Morocco, and Oman. Overall, the total volume of ASM gold decreased by 31% from 66 tonnes to 45 tonnes, highlighting both challenges and potential for growth.

ASM silver saw an increase in total sourcing, nearly doubling from 76,191 kg in 2021 to 150,057 kg in 2022. This underscores the expanding role of ASM silver in global sourcing and the need for continued accurate reporting and sustainable practices. Significant growth was noted in Bolivia, Colombia, Turkey, the United States, and Mexico, while some countries such as Mongolia and Nicaragua faced declines. These trends for both ASM gold and silver emphasise the importance of robust governance and support mechanisms to ensure sustainability, ethical practices and increased sourcing within the ASM sector. The LBMA ASM Initiative will endeavour to reverse this trend and ensure that more responsibly sourced ASM material will be processed by GDL Refiners.

TOP 3 COUNTRIES WITH HIGHEST ASM CONTRIBUTIONS

Gold	
Peru	16,936
Philippines	7,248
China	6,371
Silver	
Bolivia (Plurinational State of)	140,106
Peru	2,559
Nicaragua	2,281

TREND IN LSM GOLD AND SILVER SOURCING FROM 2018 - 2022



Large-Scale Mining (LSM)

The 2022 data for LSM gold shows a 14% decline, from 2,181 tonnes in 2021 to 1,870 tonnes in 2022.

Significant decreases were noted in China, Canada, and Indonesia, while other countries such as Germany, Liberia, Mauritania, and Nigeria reported substantial growth. Established producers such as Argentina, Ghana, and Saudi Arabia showed steady increases.

LSM silver sourcing saw a marginal decline of 1%, from 17,825 tonnes in 2021 to 17,720 tonnes in 2022. Countries like Canada and Germany faced steep drops, whereas Botswana, and Saudi Arabia saw substantial increases. Mexico and China continued to lead in silver sourcing, while the emergence of new players such as Hong Kong, India, and the Solomon Islands added diversity to the GDL Refiner’s supply chains this year.

While the overall decline in gold (-14%) and silver (-1%) indicates some contraction in the sector, the emergence of new contributors and significant regional variations underscores the evolving dynamics in global precious metals production. Mexico and China continue to lead the charge in silver LSM sourcing with notable gains and for gold, Australia and Canada lead the way, albeit with a slight decline versus the previous year. The emergence of new supply chains and sharp increases in certain regions, contrasted with declines in others, reflects both the challenges and opportunities within the LSM sector.

Recycled Material Data

This year marks the first time we have access to more granular data on recycled materials, providing a clearer and more detailed picture of the types of recycled material that GDL Refiners are sourcing.

Previously, recycled materials were grouped under a single category, but we have now replaced this with five new categories to better capture the nuances within the recycling landscape.

FIVE NEW CATEGORIES

- 1

Unprocessed Recyclable Material
Metals in their original form or as fabrication scrap (e.g., bullion bars, jewellery, coins or machine turnings) before being returned for processing and refining.
- 2

Melted Recyclable Material
Metals that have been melted down in the initial recycling process and cast into rudimentary bars or other forms with undefined dimensions and varying levels of purity.
- 3

Industrial By-products
Materials generated while processing a primary material that still holds value. In precious metals refining, this includes by-products such as furnace flue dust, spent crucibles and floor sweepings.
- 4

Mixed Materials
Materials combining multiple sources, such as mined and recycled metals. This practice is uncommon and should raise red flags, necessitating rigorous due diligence according to the Responsible Gold Guidance (RGG).
- 5

Grandfathered Stocks
Precious metal investment products (e.g., ingots, bars, coins, and grains in sealed containers) held in vaults or by third parties before January 1 2012. These do not require a determination of origin.

Before delving into the disaggregated recycling data for 2022, a comparison between the total of these new categories and the 2021 data reveals that sourcing of recycled gold has increased by 19%. This rise is likely driven by higher gold prices compared to 2021. Meanwhile, the sourcing of recycled silver remained relatively stable in 2022, with only a slight decline of 1%.

But looking at the new categories, the bulk of recycled gold was sourced from unprocessed materials, totalling 2,175 tonnes, followed by melted materials at 1,029 tonnes. Notably, industrial by-products accounted for only 3% of ‘recycled’ material at 112 tonnes.

Countries such as Switzerland, the United States, and China were leading contributors across multiple categories. Switzerland was a major source, particularly in unprocessed (463,224 kg) and melted (314,460 kg) gold, while the United States contributed significantly in the industrial by-product (18,683 kg) and mixed materials (34,237 kg) categories. China showed strong figures in unprocessed (448,810 kg) and melted (114,556 kg) materials. Grandfathered stocks, which include older investment products held prior to 1 January 2012, made up 57,684 kg, with notable contributions from France (31,336 kg) and the United States (12,832 kg).

The majority of recycled silver came from unprocessed materials, amounting to 7,411,255 kg. This reflects the continued importance of original silver forms or fabrication scrap, such as jewellery and coins, being returned for refining. Germany (1,279,960 kg), Japan (1,410,775 kg), and the United Kingdom (550,750 kg) were key contributors in this category. Melted materials accounted for 2,051,174 kg, with the United States (469,438 kg) and Hong Kong (257,968 kg) leading in this type of recycled material, highlighting the trend of melting down silver into rudimentary forms for re-entry into the market.

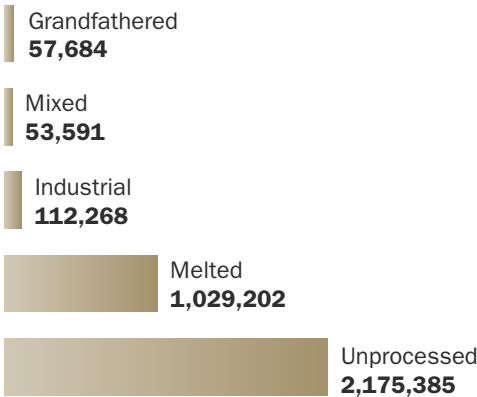
Industrial by-products contributed 4,682,463 kg to the total, demonstrating the recovery of valuable silver during the processing of other primary materials. Poland (1,316,300 kg), India (867,513 kg), and the United States (297,966 kg) were major sources within this category. Mixed materials, which are less common, represented 56,982 kg, with Sweden (50,001 kg) and the United States (5,052 kg) standing out as notable contributors. This category requires rigorous due diligence due to the combination of different metal sources.

Grandfathered stocks, which include older investment products held before 1 January 1 2012, totaled 279,764 kg. Russia (113,485 kg), Taiwan (26,251 kg), and Kazakhstan (61,664 kg) were significant contributors to this category, indicating the ongoing relevance of these pre-2012 stocks in the recycled silver market.

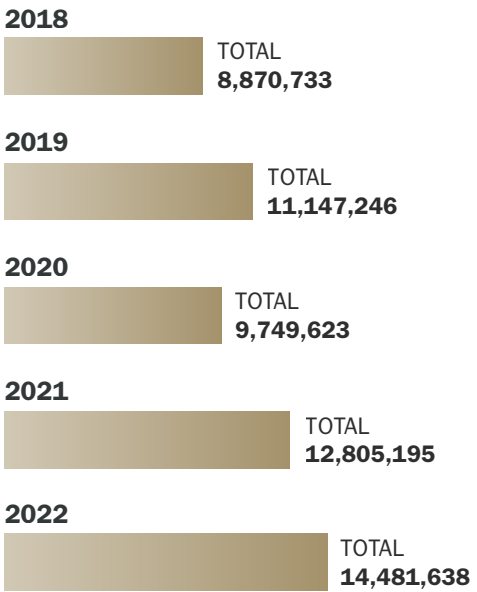
The introduction of more granular data on recycled materials this year has provided valuable insights into the different types of recycled precious metals being sourced by GDL Refiners. By categorising recycled materials into unprocessed, melted, industrial by-products, mixed materials, and grandfathered stocks, we now have a clearer understanding of the origins and types of recycled gold entering the market.

The data shows that unprocessed materials represent the largest share of recycled gold, reflecting the prevalence of scrap materials such as jewellery and bullion bars being returned for refining. This new approach sets a foundation for more transparent and responsible management of recycled materials moving forward.

DISTRIBUTION OF GOLD RECYCLED MATERIAL BY TYPE (KGS)



YEAR ON YEAR CHANGES IN RECYCLED MATERIAL VOLUMES (KGS)





New Country of Origin Data Webpage

LBMA has introduced a dedicated Country of Origin data webpage to enhance transparency and accessibility regarding precious metals sourcing.

Stakeholders can now access detailed sourcing data, including country-specific information on both mined and recycled materials, directly from this webpage. This platform is an invaluable tool for those interested in understanding the global supply chains of precious metals, supporting responsible sourcing practices and ensuring adherence to the LBMA's Responsible Sourcing Guidance.

To explore the full dataset and gain deeper insights into the origins of precious metals, visit the [Country of Origin Data webpage](#).

Future Changes and Enhancements

LBMA's GBI Database is set to become a cornerstone of the precious metals industry's digital infrastructure.

This initiative will serve as a key governance tool within the broader GBI Ecosystem, enabling enhanced clarity, security and scalability in information sharing across the market. In March 2024, LBMA appointed aXedras as the service provider to build and develop LBMA's GBI Database and provide technical support to users.

The first phase, launching in January 2025, has been designed to centralise two critical sets of data: Vault Holdings and GDL Refiner Data.

- 1

Vault Holdings
The GBI Database will centralise more granular vault holdings information, improving market governance by establishing a single point for checks and balances. Loco London custodians will be required to submit bar-level data for both gold and silver bars, ensuring the integrity of these precious metals assets across the industry. It is important to highlight that bar ownership information will not be shared with LBMA.

- 2

Refiner Data
In alignment with the Good Delivery Rules and LBMA Responsible Sourcing Programme, all Good Delivery List (GDL) Refiners will be required to upload data and assurance deliverables via the GBI Database. This will replace the current email-based system, reducing risks and delays through digitisation, and allowing for more robust data analysis and validation criteria.

Thus, we are excited to see the Country of Origin data set evolve through the integration of the new LBMA GBI Database. With more frequent and detailed data submissions, this initiative promises to transform the process of analysis and verification, enhancing transparency and accountability across the precious metals supply chain. By centralising data and digitising processes, LBMA aims to streamline information flow and facilitate faster, more accurate data.

This advancement not only strengthens the integrity of the Country of Origin data but also paves the way for a more secure, transparent and responsible global precious metals industry.

The 2022 Country of Origin data reveals significant shifts in the sourcing landscape for gold and silver, marked by evolving trends in ASM, LSM and recycled materials.

The enhanced granularity of the data and the upcoming launch of the LBMA's GBI Database promise to further strengthen the integrity and transparency of the precious metals supply chain. As LBMA continues to refine its datasets and governance tools, it remains committed to promoting sustainable, ethical practices and ensuring global supply chain integrity.

RESOURCES

Metals Focus Report

Read more detailed analysis comparing LBMA's data with independent research



LBMA Website

Explore interactive charts and the full dataset download.



Assurance Provider – Oversight and Performance

Overview

Assurance Providers play an essential role by supporting LBMA in the implementation of the Responsible Sourcing Programme.

Findings and conclusions made during an assurance engagement offer the market an independent assessment and validation of a Refiner’s conformity against the RGG. They also play a critical oversight role, bringing to LBMA’s attention any significant concerns regarding vulnerabilities in a Refiner’s management systems.

As such, the quality of their opinions and their familiarity with current sourcing threats are important in maintaining public confidence in the integrity and credibility of the RSP.

With this in mind, LBMA has significantly improved the communication, training and support provided to Assurance Providers.

Strengthening Engagement with Assurance Providers

As already highlighted in section 2, LBMA introduced several measures this year to support Assurance Providers (APs) in carrying out their duties.

The purpose of these additional tools is to provide further transparency over what happens during an assurance assessment, but also to ensure there is further consistency in how Assurance Providers carry out their assessments.

The pre-assurance checklist, for example, serves as the basis for a check-in call between LBMA and the Assurance Providers prior to the site visit portion of the assurance engagement, particularly for high-risk Refiners or those that may have experienced sourcing challenges over the previous year. The checklist provides LBMA with greater line of sight over the preparedness and understanding by APs of the issues and risks they should raise with Refiners during the actual engagement.

This process resulted in LBMA limiting the geographical remit of one accredited Assurance Provider in March 2024, following concerns on resource allocation. LBMA also required the Assurance Provider to present a Corrective Action Plan before its global scope of practice could be reinstated.

Another benefit of the pre-assurance calls has been to increase the engagement and collaboration between APs and the Responsible Sourcing team. Often times, LBMA may be made aware of risks (either through media scans, conversations with civil society organisations or market intelligence) relating to specific Refiners or source countries. Sharing of this information allows LBMA to gain comfort that any concerns are appropriately tested by APs during the assurance process. In 2024, pre-assurance discussions were held with APs of every high-risk Refiner, as well as those with known adverse indicators.

Assurance Provider Training

In addition to supporting the policy architecture of Assurance Providers, LBMA completely overhauled the annual mandatory training programme by creating an e-learning platform, rather than rely on third-party service providers as in the past.

This training familiarised Assurance Providers with the requirements outlined in the RGG and the TPAG, but also incorporated a separate case study session based on sourcing vulnerabilities that arose during or outside of the previous year’s assurance process. During this session, APs workshopped different scenarios and could interact directly with LBMA staff and the facilitator, a former accredited Assurance Provider. The training also tested the competency and performance of Assurance Providers - increasing the previous minimum pass rate to 80% (up from 70% in previous years) and allowing for their removal should they score below that threshold. LBMA intends to maintain this training model for 2024.

Drop-in Sessions

In July 2024, LBMA also hosted an inaugural ‘Assurance Provider Drop-in Session’ to share observations of the assurance reports reviewed during the course of the first half of the year, reinforce our expectations with respect to the levels of detail and transparency of information, and answer any questions the Assurance Providers had.

Shadowing Assurance Engagements

LBMA further improved the oversight of the assurance process by shadowing five GDL Refiners during the 2024 assurance engagements, as was done in 2023.

These shadows not only provide the Responsible Sourcing team with first-hand insights into how assurances are conducted, but also highlight possible areas of improvement or clarification to be incorporated into future trainings or versions of the RGG.

MINIMUM
PASS RATE
INCREASED TO
80%



Communication, Engagement & Collaboration

Delivering on an agenda as ambitious as the Responsible Sourcing Programme would be impossible without the collaboration of a broad and diverse group of like-minded organisations and individuals.

Throughout this report, we have highlighted how Refiners, Assurance Providers and the members of the ASM Taskforce have supported our efforts to strengthen and nurture the expansion of the Programme and develop more responsible supply chains.

This kind of engagement is a long-standing practice at LBMA. Over the years, we have participated in numerous multi-stakeholder forums and partnerships, working across perspectives and a diverse spectrum of actors - government, industry partners and civil society groups - to champion mutually beneficial outcomes.

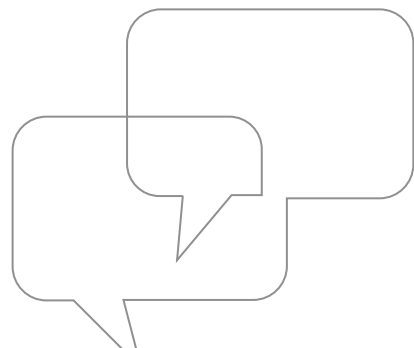
Over the course of the last year, however, LBMA paid special attention to rebuilding relationships with civil society groups that had suffered as a consequence of the Covid pandemic. While LBMA maintained virtual connections with a core group of civil society organisations (CSOs), our engagement with the broader community was hampered as in-person meetings and impromptu, yet invaluable, hallway discussions at events such as the annual OECD Responsible Minerals Forum dropped off completely. We also took note of the changing composition of CSOs participating in discussions and forums related to responsible sourcing.

Some organisations had pivoted to new areas of focus, while among those that remained there was a raft of new and unfamiliar faces. As one expects of an evolving sustainability landscape, we also saw entirely new organisations enter the fray, raising new concerns that required LBMA's attention.

As a result, 2024 served to reset our engagement with our civil society colleagues and consider ways to re-establish old relationships, solidify new ones and improve upon the past.

At the same time, the expansion of the Responsible Sourcing Programme and the activities, objectives and deliverables that emerged from that work compelled LBMA to also reconsider how better to communicate with key stakeholders.

While the monthly newsletter and this report serve as the main channels through which LBMA shares responsible sourcing related information, we introduced several new communication products to support the implementation of the Programme and share the progress of our work.



Civil Society Engagement

Meaningful engagement with civil society organisations (CSOs) has been a cornerstone of LBMA’s Responsible Sourcing Programme since the very beginning.

CSOs often bring to light legitimate concerns about the governance of precious metals supply chains. Sometimes their field presence or analysis can give us better appreciation or line of sight of certain issues. While the relationship can at times be conflictual, more often than not their concerns inform our understanding of emerging issues and changing public norms, and they act as harbingers that guides the improvement of our sourcing standards and policies.

IN-PERSON MEETINGS

In rekindling dialogue and engagement, LBMA held two in-person meetings with civil society partners during the first half of 2024 - first during the Sustainability and Responsible Sourcing Summit in London in March, and shortly thereafter at the OECD Responsible Minerals Forum in Paris in May.

During the first meeting, LBMA highlighted the progress made on the ASM Initiative and improvements made to the Programme, particularly with respect to auditor engagement, training and performance, and on data collection and transparency.

Both meetings allowed for constructive conversations on CSOs’ calls for improvements related to traceability in the recycled market, sourcing from environmentally protected areas in the Brazilian Amazon and meeting the disclosure requirements of Footnote 59 of the OECD Guidance. LBMA also clarified the circumstances that instigate an Incident Review Process and an incident’s progression through the 11-step process.

In addition, illegal mining in the Amazon was raised directly with all Refiners sourcing from non-industrial mines in 2023 and repeatedly highlighted in the monthly Responsible Sourcing Newsletter to draw Refiners’ attention to a potential threat to their supply chains.

As explained below, it was also highlighted in a Sourcing Advisory issued in January. LBMA similarly raised Footnote 59 with the OECD and asked it to lead a moderated discussion to clarify its implementation. A meeting is tentatively set for later this year.

DETAILED RESPONSES

In addition to the in-person meetings, LBMA provided a lengthy written response to a letter that several organisations - many of whom attended both meetings - had sent in March raising similar concerns. While, as a practice, LBMA always responds to CSO letters, this response was more fulsome than usual as their letter contained several unfounded allegations and misunderstandings of LBMA policies and practices, including the due diligence undertaken by our Refiners and a perceived lack of transparency regarding the disclosure of industrial mines from which they receive material. In the latter instance, we explained that while LBMA remained open to such disclosure in future editions of the RGG, Refiners were often bound by commercial confidentiality agreements with their customers that precluded the sharing of such information. This said, the 2023 decision by all 31 member companies of the World Gold Council to disclose the refiners that process their material was a welcome commitment.

Both the meetings and our correspondence with CSOs provided an opportunity for LBMA to showcase our continuous improvement to sourcing practices, and our responsiveness to acting on practical and applicable suggestions for improvement, and to extend an invitation for CSOs to contribute further recommendations regarding enhancements to RGG v10, which LBMA will begin to scope during the latter half of 2024.

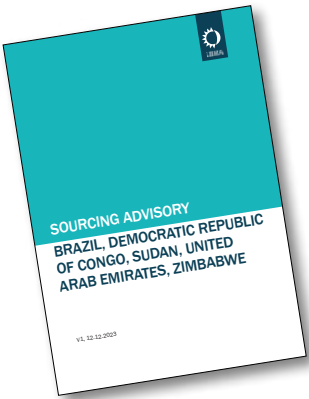
Communication to Support Awareness and Understanding

LBMA has continued to increase focus on stronger communications with Refiners and Assurance Providers, which has improved awareness of supply chain risks and to clarify our expectations with respect to the faithful implementation of sourcing and disclosure requirements.

LBMA does not generate an official list of conflict-affected and high-risk areas (CAHRAs) for Refiners to follow. We have always believed that the Refiners, not LBMA, should manage the responsibility of appropriately assessing any risks in their supply chains. The RGG supports this process by recommending several tools against which Refiners can measure risks, such as sanctions regimes, the European Union’s CAHRA list or the Heidelberg Barometer.

However, LBMA realised there was a public interest in sharing any credible market intelligence brought to our attention, if it supported the greater good of raising awareness of supply chain risks and the proactive due diligence monitoring and risk mitigation by Refiners.

With this in mind, LBMA released the inaugural edition of the Sourcing Advisory in January. The issue highlighted emerging trends and sourcing threats in Brazil, the Democratic Republic of Congo, Sudan, the United Arab Emirates and Zimbabwe.



View document

In issuing the Sourcing Advisory, we encouraged Refiners to apply the appropriate enhanced due diligence measures on potentially affected supply chains and report any adverse findings to LBMA.

Following the overwhelmingly positive feedback, LBMA intends to make the Sourcing Advisory a more regular communication product, with a view to issuing 2 to 3 per year as information allows.

LBMA also increased the amount of internal-facing communication with Refiners and Assurance Providers as part of earlier mentioned efforts to improve the implementation of the Assurance Programme.

The release of the Assurance Providers Toolkit, and other associated guidance documents mentioned earlier (see page 19), was done with the express purpose of better explaining and streamlining the processes to both parties, reducing errors or omissions, and improving consistency in reporting across assurance reports. As with the Sourcing Advisory, LBMA has previously preferred not to offer prescriptive direction to APs for fear of it being perceived as interfering in the assurance process; however, following feedback raised during the first EU alignment assessment regarding inconsistency of approaches by Assurance Providers, we felt the guidance documents were appropriate and would be beneficial. This has further supported our focus on continuous improvement.

INCREASED ENGAGEMENT

We also sought to increase engagement by initiating the ‘Ask RS’ online form, whereby stakeholders could pose any responsible sourcing related questions. The questions are collated and answered in the monthly Responsible Sourcing Newsletter. This kind of interactions is useful to the Responsible Sourcing team as it gives us further insights into areas where Assurance Providers and Refiners may require additional support and training.

While there are always heightened interactions between the Responsible Sourcing team and Assurance Providers and Refiners during the audit season, the levels of constructive feedback - via email and in-person calls - increased substantially during the pre- and post-assessment phase.

The increased focus on engagement and communication with key stakeholders - Refiners, Assurance Providers and civil society groups - all serve a broader purpose of informing LBMA’s thinking as we look toward drafting version 10 of the RGG in 2025.

Evolving Regulatory Landscapes

by Emmy Richardson, Senior Compliance Associate

Intensifying our Support to Members and Refiners

In response to the evolving regulatory landscape concerning supply chain due diligence and sustainability, LBMA is intensifying its support for Members and Refiners.

Although the gold supply chain has had a head start with the implementation of the EU Conflict Minerals Regulation and LBMA's own Responsible Sourcing Programme, the broader sustainability agenda remains a pressing concern.

The Global Push for Sustainability

The global stage is abuzz with sustainability initiatives.

Europe is accelerating its regulatory efforts, with the EU introducing ambitious proposals such as the Corporate Sustainability Due Diligence Directive (CS3D) and the Corporate Sustainability Reporting Directive (CSRD). These directives mandate large companies to integrate comprehensive due diligence measures throughout their global value chains and ensure transparent reporting of sustainability data, respectively.

In April 2024, the European Parliament approved a regulation targeting forced labour within the EU market. This regulation, effective from mid-2027, requires comprehensive human rights due diligence across all stages of all product supply chains, applying universally to products regardless of origin or sector. This regulatory push is complemented by global efforts, such as Canada's modern slavery legislation and China's development of Corporate Sustainability Disclosure Standards (CSDS).

Additionally, the UK House of Lords is currently progressing a bill that mandates commercial organisations and public authorities to prevent human rights and environmental harms. The bill includes obligations to conduct and publish human rights and environmental due diligence assessments on their own operations, subsidiaries, and value chains. The bill would introduce provisions for civil liability, penalties, and criminal offences for non-compliance.

Strategic Outreach by the Compliance Team

Our Responsible Sourcing Programme has been instrumental in promoting ethical business practices and supply chain transparency.

LBMA has proactively aligned with these global standards to ensure that our Members and Refiners are well equipped to navigate these regulatory changes.

But in response to feedback and the evolving regulatory landscape, this year, the LBMA Compliance team has implemented a comprehensive outreach strategy aimed at:

- 1 Enhancing Regulatory and Compliance Awareness**
We aim to provide valuable regulatory updates and training.
- 2 Inclusivity**
We strive to ensure accessibility for all Members and Refiners, and create forums for Compliance Officers to collectively discuss and explore current compliance challenges.
- 3 Insightful Engagement**
We engage one-on-one with Members and Refiners to understand their unique needs better, allowing us to enhance our support effectively.

This strategic approach has been fruitful so far. Our next step is to bring Members and Refiners together at a virtual roundtable event in October to discuss and strategise on common issues faced by Compliance Officers and professionals in this space.

Developing Targeted Training Programmes

To further support our Members and Refiners, the Compliance team has been developing specialised training programmes.

- **Compliance Officer Training:** Targeted at nonregulated organisations within the precious metals supply chain, this training is currently under development and aims to enhance compliance capabilities across the sector.
- **Gold-Specific Anti-Money Laundering (AML) Training:** Set to launch later this year, this training will be mandatory for LBMA Approved Assurance Providers during their annual review. However, it will also be open to all interested parties, promoting widespread adherence to AML standards within the gold industry.

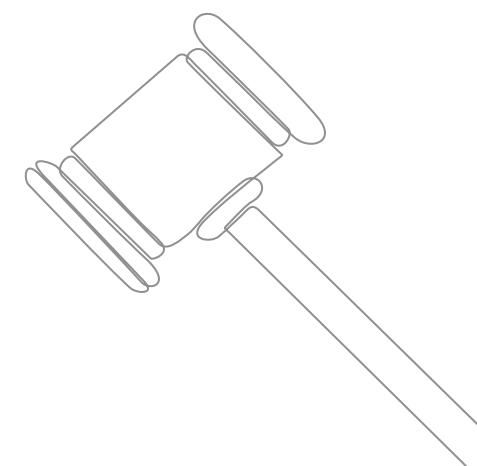
Future Steps

Looking ahead, we remain committed to supporting our Members and Refiners through continuous engagement and the provision of resources necessary to comply with evolving regulations.

Our virtual roundtable event in October will be a pivotal platform for discussing strategies to tackle common compliance challenges.

As regulatory frameworks continue to evolve, LBMA is dedicated to helping Members and Refiners integrate sustainability into their core strategies.

By embracing these challenges, businesses can ensure compliance and position themselves as leaders in promoting positive societal and environmental change. Our collective action, innovation and adherence to global sustainability standards will pave the way for a sustainable future in the precious metals supply chain.



Governance

The Responsible Sourcing and Compliance Department

In response to the ever-broadening regulatory and sustainability landscape, significant investments were made over the last year to reinforce the operational effectiveness of the team that implements LBMA’s Responsible Sourcing Programme (RSP).

The changes principally sought to grow the size and professional capacity of the team to respond to the expanding workstreams, while also clarifying members’ roles and responsibilities. Three new positions - project manager, compliance analyst and an additional responsible sourcing coordinator - were created to support the day-to-day work of the department.

Reporting to the Deputy CEO and General Counsel, the department is comprised of two distinct but mutually reinforcing teams tasked with applying necessary support and appropriate oversight to Refiners, LBMA Members and approved Assurance Providers in meeting obligations governing their source practices or business conduct.

The Responsible Sourcing team continues to have the primary duty in respect of the consistent application of the RSP by Refiners and Assurance Providers, as well as acting as the first point of contact for all responsible sourcing queries.

The Compliance team complements this work with its focus on due diligence assessments on applicant and accredited Refiners and Members, and leading the Incident Review Process in instances where credible sourcing concerns about a Refiner are brought to LBMA’s attention. The team is also charged with monitoring shifts in the global regulatory landscape, evaluating their possible implications on the precious metals sector, and informing impacted stakeholders accordingly.

The growth of the team reflects the importance and commitment by LBMA to more holistically engage and respond to public expectations of improved business conduct and any emerging regulatory and sustainability demands. It equally enhances LBMA’s ability to more effectively represent the interests of the Refiners and LBMA Members with whom we work. Collectively, members of the Responsible Sourcing team play leadership or support roles in several committees with governance and oversight responsibilities over the adherence to Programme requirements or GDL Rules.

In summary these principally include the:

Compliance Panel (‘ComPan’)

The ComPan supports the assurance review process and monitors the adherence and performance of Refiners and Assurance Providers to the Programme. This includes the immediate review of zero-tolerance non-compliance, approval of the assurance reports of high-risk Refiners, addressing risks and incidents emanating from Refiners’ annual assurances, and responding to concerns related to the performance of Assurance Providers or a Refiner’s sourcing practices. The latter includes leading an investigation to determine whether a particular set of facts warrants the invocation of the Incident Review Process (IRP), and managing and escalating the Process thereafter.

Physical Committee

The Committee has the primary responsibility to ensure that the integrity, quality and standards set by the GDL are maintained; provides scrutiny and risk management of both LBMA and the wider market; and develops and agrees new rules. It advises the LBMA Executive on all matters relating to the Programme and Refiners’ compliance.

Membership Committee

The Committee ensures that the quality of the Association’s Membership is maintained by relying upon the rigorous and thorough due diligence assessment of prospective GDL Refiners and Members undertaken by the Compliance team. This includes a review of criteria such as an applicant’s ownership structure, its financial stability and any adverse news or profile risks that may result in reputational damage or challenges in fulfilling LBMA rules and requirements.

RESPONSIBLE SOURCING TEAM MEMBERS:



Sakhila **Mirza**
Deputy CEO and
General Counsel



Alan **Martin**
Head of Responsible
Sourcing



Amardeep **Rihal**
Policy Manager



Varsha **Peiris**
Standards and
Assurance Manager



Sophie **Firoz**
Project Manager



Charlotte **Gibbons**
Responsible Sourcing
Coordinator



Ronnie **Sade**
Responsible Sourcing
Coordinator



Lahara **Sykes**
PA/Team Assistant

COMPLIANCE TEAM MEMBERS:



Graham **Jelf**
Compliance Officer



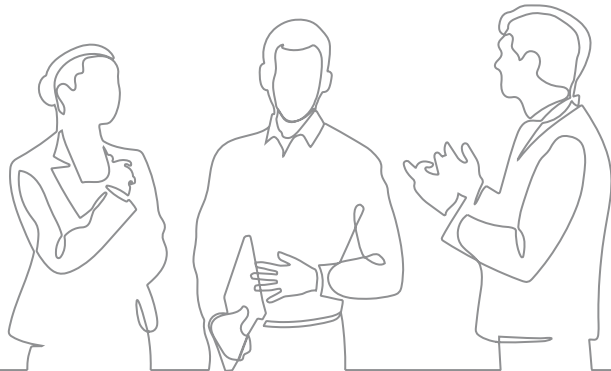
Emmy **Richardson**
Senior Compliance
Associate



Emma **McKean**
Compliance Analyst

For further detail and descriptions of LBMA’s governance structures and process, readers are encouraged to consult our website or past issues of this report.

- Visit the LBMA website →
- Read the 2023 Report →
- Read the 2022 Report →
- Read the 2021 Report →
- Read the 2020 Report →





A&R

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This year's theme is
**Sampling and Analytical
Methods for Improved
Precious Metal Evaluation.**

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