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Dear team of LBMA,

We thank you for giving us the opportunity to give constructive input on the proposal of the amended disclosure guidance. We took the time to properly consider this internally with the relevant colleagues.

Referring to previous first feedback given during discussions on the proposal for the amended disclosure guidance, please find here below our more detailed feedback.

While we fully support increased transparency in the context of responsible sourcing, the proposal to publicly disclose the information as proposed by LBMA, in an uncontrolled manner poses significant risks.

Although such disclosure may be less problematic for traditional, well-known gold value chains (e.g. doré), we foresee serious concerns for smelters and refiners operating in broader, more complex value chains. These include facilities processing multi-metal materials or niche inputs with very low gold content—such as e-waste, smelter by-products, and other complex sources.

We identify the following key risks:

**1. Underestimated Scope**

The red-flag location list and reference sources used by LBMA may unintentionally expose a wider range of suppliers than anticipated. Furthermore, the scope of materials subject to disclosure must be clearly defined and unambiguous. Is the reporting limited to gold output from gold mines, or does it also include waste materials containing gold (e.g., spent gold carbon) or base metal concentrates with minor gold content?

**2. Unlevel Playing Field**

For materials with low gold content, refiners face competition from non-gold entities such as non-ferrous refiners, treatment facilities, and traders who are not subject to the same public disclosure requirements. This discrepancy may incentivize suppliers to divert materials to less regulated or potentially sub-standard outlets, resulting in a loss of gold units from responsible channels.

**3. Misinterpretation and Lack of Context**

Uncontrolled public disclosure of sensitive data may lead to misjudgments or

disproportionate concern among stakeholders—such as NGOs, media, and the general public—who may lack understanding of the broader, non-traditional gold value chain and the specific context surrounding high-risk gold supplies.

#### 4. **Security Risks**

Publicly identifying companies located in red-flag regions—even when gold is only a minor component of the materials they handle—could expose them to heightened security threats. Companies supplying lower grade materials, many of which SME's, cannot afford to implement the same security standards as e.g. high grade doré mines.

#### 5. **Business Sensitive Data**

Many gold-containing (complex) material supplies result from intensive business development efforts over many years. These materials can reveal confidential flowsheet information about the producer. Such industrial producers (suppliers) are also in high risk locations. Publicly disclosing the supplier's name, the quantities of gold and silver shipped, and the associated reporting refiner, effectively hands over sensitive business intelligence 'on a plate' to competing smelters, refiners, traders, pre-processors - including those outside the regulated precious metals industry like LBMA. This strengthens the non-regulated industry that also typically works with lower standards on EHS, etc.

#### 6. **Legal Concerns**

Considering that (i) requiring public disclosure of supplier identities as a condition of LBMA certification would unfairly disadvantage base metal (multi metal) refiners [REDACTED] revealing sensitive business information and undermining years of innovation in recovering precious metals from unconventional materials and in turn could limit competition, investment, and technical advancement and that (ii) such disclosure is unnecessary for achieving transparency objectives, the proposed disclosure would potentially breach EU and UK competition law by imposing unfair conditions, restricting market development, discriminating against certain refiners, and forcing unjustified supplementary obligations.

#### **Transparency and discretion should go hand in hand.**

If greater transparency is required, it should be implemented through a controlled and institutionalized mechanism. This is also precisely the role of the third-party assurer: to verify that all relevant information is accurately reported, without requiring refiners to disclose sensitive data publicly and without oversight.

Thank you.

Kind Regards.