



# **LBMA RESPONSIBLE SOURCING PROGRAMME DISCLOSURE GUIDANCE**

DECEMBER 2025



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## Definitions

The definitions applicable for Disclosure Guidance version 3 (DG3) are the same as those included in the Responsible Gold Guidance version 9 (RGG9) and Responsible Silver Guidance 2 (RSG2). For ease of reference, the type of material categories are repeated here.

**Mined Gold (also referred to as primary gold):** Gold that originates from Large and/or Medium-scale Mines (LSM) or Artisanal and Small-scale Mines (ASM) and has never been previously refined. This term means any gold or gold-bearing material produced by or at a mine, in any form, shape and concentration, until it is fully refined (995 or greater), fabricated into a gold refinery product (e.g. bar or grain) and sold.

**Origin of Mined Gold:** The mine where it was extracted, i.e. where the mine is located. Subcategories of Mined Gold include:

- **Alluvial gold:** Newly Mined Gold that has been taken from sand and gravel deposits, most often in or near streams, typically as very small but visible pieces of gold. Alluvial gold is usually in the form of 'dust', and occasionally nuggets, which is already concentrated in form, easily transported and may be easily melted and/or semi-refined into small ingots (normally of 85% – 92% purity). Alluvial gold in all of these forms requires refining before use as bullion or jewellery, but can ordinarily be directly refined, without further intermediate concentration or processing.
- **Gold ore:** Rock or gravel that contains an economically valuable concentration of gold. This concentration may be very small by weight, e.g. 1 gram of gold per tonne of ore, and still be economically recoverable in medium-scale and large-scale industrial mining. Gold ore, because of its bulk and weight, is ordinarily not transported far from a mine site for processing.
- **Gold concentrate:** An intermediate material produced from the processing of gold ore to achieve a higher concentration, but that still requires further intermediate processing to produce doré. A gold concentrate would ordinarily be transported to a nearby gold smelter for the creation of doré.
- **Gold doré:** A bar of newly Mined Gold metal alloy, generally originating from extensive processing of ores and smelting at mines to a high concentration (normally of 85% – 90% purity). Mined Gold in this form is not commercial quality and must then be transported to a refinery to be directly refined, without further intermediate processing.

**Owned mines:** A group of mines owned and operated by the same corporate group.

**Mining By-product:** Gold obtained from the mining of base metals, for example, from lead, zinc or copper ore, in which gold may be a trace constituent.

**Origin of Mining By-product:** This is an exception to the Origin of Mined Gold definition above. It is the point at which trace gold is first separated from its parent mineral ore (for example, at the refinery). The Refiner's due diligence should ensure that false representations are not made to hide the origin of newly Mined Gold through Mining By-products.

**Recycled Gold:** This term traditionally encompasses anything that is gold-bearing and has not come directly from a mine in its first gold lifecycle. In practical terms, it relates to gold sourced by an LBMA GDL Refiner, or downstream intermediate processor, including end-user, post-consumer products, scrap and waste metals, and materials arising during refining and product manufacturing, and investment gold and gold-bearing products which are returned to a Refiner to begin a new lifecycle. This category may also include fully refined gold that has been fabricated into grain, Good Delivery bars, medallions and coins that have previously been sold by a refinery to a manufacturer, bank or consumer market, and that may thereafter need to be returned to a refinery to reclaim their financial value or for transformation into other products (e.g. 1 kilo bars).



**Origin of Recycled Gold:** The point in the gold supply chain where the gold is returned to the Refiner or other downstream intermediate processor or recycler.

Subcategories of Recyclable Gold:

- **Unprocessed Recyclable Gold:** Recyclable Gold still in its original form and/or fabrication scrap, before it has been returned for processing and refining (e.g. bullion bars, pieces of jewellery, ornaments, coins, machine turnings, etc.).
- **Melted Recyclable Gold:** Recyclable Gold which has been melted as the first recycling process and cast into rudimentary bars or some other form with undefined dimensions and variable fineness.
- **Industrial By-product:** A material produced while processing another material, not the primary intended product but nevertheless a separate useful material. For example, gold refining often creates low-value by-products such as furnace flue dust, spent crucibles and floor sweepings.
- **Mixed Materials:** Materials that include multiple sources (e.g. both mined and recycled minerals/metals). Mixing of materials is not common practice and should be deemed a red flag. Due diligence should be conducted on those sources of mixed gold in accordance with the full requirements of the Responsible Gold Guidance (RGG).

**Grandfathered Stocks:** Gold investment products (e.g. ingots, bars, coins and grain in sealed containers) held in bullion bank vaults, central bank vaults, exchanges and refineries, with a Verifiable Date prior to 1 January 2012, which will not require a determination of origin. This includes stocks held by a third party on behalf of the listed entities.

**Verifiable Date:** A date which can be verified through inspection of physical date stamps on products and/or inventory lists. The requirements for Grandfathered Stocks with a subsequent date, or without a Verifiable Date, are the same as for other gold-bearing material, i.e. the Refiner must provide the same level of origin and due diligence documentation.

# Acronyms

3TG	Tin, Tantalum, Tungsten and Gold
AML-CFT	Anti-Money Laundering – Combatting the Financing of Terrorism
ASM	Artisanal and Small-scale Mining
CAHRA	Conflict-Affected and High-Risk Area
EITI	Extractive Industries Transparency Initiative
GDL	Good Delivery List
GRI	Global Reporting Initiative
KYC	Know Your Counterparty
LBMA	London Bullion Market Association
LSM	Large and Medium-scale Mining
OECD	Organisation for Economic Cooperation and Development
RGG	Responsible Gold Guidance
RJC	Responsible Jewellery Council
RSG	Responsible Silver Guidance
RSP	Responsible Sourcing Programme
RMI	Responsible Minerals Initiative
UNGP	United Nations Guiding Principles on Business and Human Rights
VPSHR	Voluntary Principles on Security and Human Rights

# Introduction

## Purpose

This Disclosure Guidance (DG3) has been updated to support LBMA GDL Refiners (Refiners) in the implementation of the Responsible Sourcing Programme (RSP) reporting and disclosure requirements. DG3 provides greater alignment with the OECD Due Diligence Guidance<sup>1</sup> Footnote 59 reporting requirements and, in instances, goes beyond this to encourage more transparent and meaningful communication by Refiners.

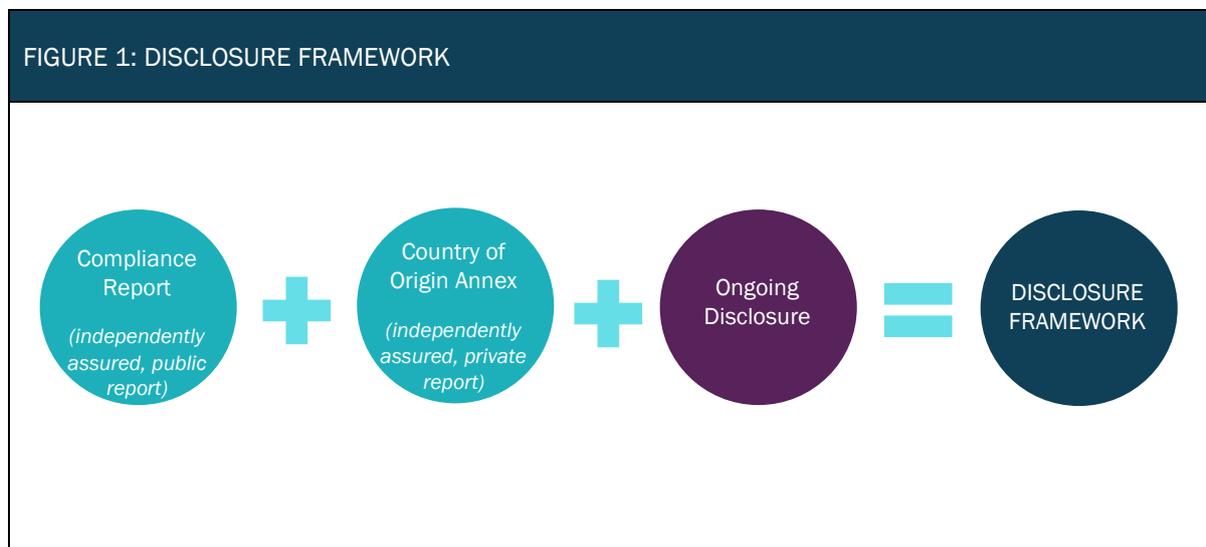
DG3 should be interpreted as a **minimum threshold** upon which Refiners should build and continually improve reporting and disclosure practices. It forms part of the Refiners Toolkit and, as such, Refiners are expected to implement it on a comply or explain basis.

Supplier information is provided by Refiners as part of their due diligence and independent assurance obligations. LBMA reviews assurance outcomes in accordance with its oversight role but does not undertake primary verification of supplier data. Refiners are responsible for the accuracy of their disclosures and for ensuring alignment with LBMA Guidance and OECD requirements.

## Scope

The Disclosure Framework (see figure 1) sets out the components that Refiners should implement to meet the RSP's expectations for Step 5 annual reporting and ongoing disclosure.

FIGURE 1: DISCLOSURE FRAMEWORK



<sup>1</sup> Footnote 59 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas states: Business confidentiality and other competitive or security concerns means, without prejudice to subsequent evolving interpretation: price information; supplier identities and relationships (however the identity of the refiner and the local exporter located in red flag locations should always be disclosed except in cases of disengagement); transportation routes; and the identity of information sources and whistle-blowers located in conflict-affected and high-risk areas, where revealing the identity of such sources would threaten their safety. All information will be disclosed to any institutionalised mechanism, regional or global, once in place with the mandate to collect and process information on minerals from conflict-affected and high-risk areas



### Compliance Report

The Compliance Report is the subject of the annual third-party assurance as stipulated in the Responsible Sourcing Guidance (the Guidance), which comprises the Responsible Gold Guidance (RGG) and the Responsible Silver Guidance (RSG). Section 2 of DG3 sets out the disclosure requirements to be included for Refiners to conform with the Guidance.

In addition, Section 2 outlines requirements of the ‘Refiner Transparency Roadmap’<sup>2</sup>, as committed to by Refiners, to support broader stakeholder needs for increased transparency on gold supply chain risks. Required disclosures are to be reported as a public-facing Annex to the Compliance Report and include:

- All World Gold Council (WGC) miners and mines from which Refiners receive gold-bearing material (WGC Mines).
- All locations (countries) from which mined material is received (Mined Material Locations).
- The identity of the Refiner and local exporter in ‘red flag’ locations as per OECD DGG Footnote 59 of the Gold Supplement (OECD FN59).

### Country of Origin Report

The Country of Origin (COO) Report is also subject to the annual third-party assurance as stipulated in the Guidance documents. This document is, however, only sent to LBMA and is not required to be made publicly available. Section 3 provides an example of the template for Refiners to complete their COO disclosures.

### Ongoing Disclosure

Refiners are expected to adopt disclosure practices that enable them to reflect the ongoing nature of due diligence, beyond annual reporting. This also includes responding to responsible sourcing-related allegations that may be connected to a Refiner. Section 4 outlines recommendations and principles for ongoing disclosure.

## Proportional Application

Each Refiner must apply DG3 proportionally to its own business activities and to those directly involved in its precious metals supply chains. Proportionate application does not mean different standards for different institutions – it is a recognition of the differing levels of size, complexity, nature of engagement and sophistication of precious metals producers and refiners worldwide. DG3 is therefore fit to be flexible enough to adapt to the operational context and supply chain of the Refiner.

### DG3 effective date

DG3 supplements LBMA’s Responsible Gold Guidance version 9 (RGG9) and Responsible Silver Guidance version 2 (RSG2). This reporting requirement is expected to be implemented for Compliance Reports due in the 2026 calendar year for FY2025 data and onwards.

## Audience

The primary target audience of DG3 is the LBMA GDL Refiner, but it can also be considered as a reference point for other refiners seeking to be aligned with LBMA’s RSP. LBMA Approved Assurance Providers are also required to use DG3 to complete their assurance procedures on required minimum disclosures.

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<sup>2</sup> ‘Refiner Transparency Roadmap’ is a commitment initially set out to meet the OECD DGG Footnote 59 (FN59) requirement of disclosing “the identity of the refiner and local exporter in [OECD] red flag locations”. LBMA is committed to transparency beyond FN59. [Please refer to press release.](#)

# Refiner Compliance Report

Table 1 lists the requirements that must be satisfied by Refiners to demonstrate compliance with the RSP. Mandated information can also be bolstered by signposting reporting on company websites or other corporate reporting (e.g. sustainability report, annual report and press releases). Illustrative examples are provided in Appendix 1 of this Guidance.

**TABLE 1: SUMMARY OF ACTIVITIES TO DEMONSTRATE COMPLIANCE**

## STEP 1: COMPANY MANAGEMENT SYSTEMS

1.1 Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of gold and/or silver?

The Refiner should:

- Outline the scope of the reporting with respect to the group/company structure including relevant facilities and business units.<sup>3</sup>
- Confirm that a Responsible Sourcing Policy has been documented and that the Policy includes:
  - All threat financing risks, including OECD Annex II risks, per Step 1.1 of the Responsible Gold/Silver Guidance
  - Environmental, social and governance (ESG) factors considered in its gold primary supply chains, per Step 1.1 of the Responsible Gold Guidance.
- Make clear that the supply chain policy is:
  - Approved at a senior level
  - Reviewed annually and updated as and when circumstances require
  - Publicly available on the website, in English (link to policy), and communicated to all relevant staff.

1.2 Has the Refiner set up an internal management structure to support supply chain due diligence?

The Refiner should provide:

- A description of the organisational structure and clarify that:
  - Authority and accountability for supply chain due diligence are assigned to the Board, or a committee appointed by the Board
  - The Board has sufficient skills and experience, and training is provided for the Board to carry out its oversight of responsible sourcing activities effectively
  - A suitably experienced Compliance Officer has been appointed to take responsibility for the implementation of the supply chain due diligence processes

<sup>3</sup> It is understood that, where two refineries belong to the same structure, then the reports may repeat the information on the organisational chart.

- There is sufficient availability of the necessary resources and skills to support and monitor due diligence processes.

The Refiner should report on the:

- Percentage and/or number of relevant employees trained on supply chain due diligence matters during the reporting period
  - Related training topics, contextualised and proportionate to the company due diligence structure and supply chain
  - Where relevant, the number of material violations of the internal due diligence process that have been escalated and whether internal sanctions (e.g. warnings, penalties, etc.) have been taken, or could be taken, with regards to (failures in) due diligence implementation.
- Refiners should also include a description of their cash payment policy and record-keeping policies with reasoned justifications for deviations from the requirements of Step 1.2 of the RGG.

1.3 Has the Refiner established a traceability system over gold and/or silver supply chains, including chain of custody mapping and identification of supply chain actors?

The Refiner should describe:

- The methods for identifying all counterparties down to the precious metal's origin, as defined in the RGG for various sources of precious metals.
- The traceability system used, including the information recorded (such as counterparties, origin, type of materials, date of arrival and finalisation, weight, etc.) and documents collected and stored (such as airwaybills, packing list, pro forma invoices, export forms).
- Any instances of incidents relating to counterparties' identification, origin and traceability of precious metals, and the measures or procedures followed by the Compliance Officer to address these.

1.4 Has the Refiner strengthened company engagement with gold and/or silver supplying counterparties, and, where possible, assisted gold and/or silver supplying counterparties in building due diligence capabilities?

The Refiner should describe:

- How it shares information and expectations about due diligence with counterparties (e.g. contractual clauses, training on specific due diligence issues, company internet campaign).
- The types of expectations communicated to counterparties.
- The due diligence issues on which suppliers/counterparties were specifically engaged during reporting period, if any.

- The Refiner should also, if and where relevant, convey its support to the implementation of the EITI Principles (as provided for under Step 1, subsection 4 of the RGG) and indicate whether the Refiner buys Mined Gold from a State-Owned Enterprise operating in an EITI country.<sup>4</sup>
- The Refiner is encouraged to disclose all first trades payments made to State-Owned Enterprises for the purchase of mineral resources during the reporting period. (Note: This is a recent EITI requirement for buyers, see key insight 5).

#### 1.5 Has the Refiner established a company-wide confidential grievance mechanism?

The Refiner should describe:

- The grievance mechanism in place, including:
  - Whether it is accessible to internal and external parties
  - How it can be accessed (e.g. via email, mailbox, hotline)
  - Whether it can be used anonymously by employees or external parties
  - How grievances are managed and resolutions are communicated to stakeholders.

The Refiner should disclose:

- The number and nature of relevant grievances that were received through the relevant platforms or the Refiner's own grievances channel and that were closed during the reporting period.
- The steps taken to resolve grievances and refer, where relevant and appropriate, to the nature of corrective and preventative actions taken in response to grievances. For instance, Refiners can report that external investigations, assessments, inquiries with suppliers, checks about internal procedures, etc. are ongoing, with due respect for confidentiality.
- The plan and expectations for closing out remaining grievances.

## STEP 2: RISK IDENTIFICATION AND ASSESSMENT

#### 2.1 Does the Refiner have a due diligence process to identify risks in the supply chain?

The Refiner should describe:

- The systems and controls in place to identify risks related to the supply chain, including:
  - The procedures and tools for undertaking Know Your Counterparty (KYC) assessments
  - The resources, skills and experience of the team conducting the risk assessments and continuous monitoring, and how applicable systems and personnel communicate their assessments and checks to inform others
  - The review and sign-off procedures for the risk assessments.

#### 2.2. How does the Refiner classify identified risks in light of the standards of its due diligence system?

<sup>4</sup> Note: This might not be relevant to all Refiners.

The Refiner should describe:

- The processes in place and the definitions/criteria (e.g. context, Politically Exposed Persons, beneficial owners, sanctions) used to determine when precious metals or counterparties are from a CAHRA or are considered high-risk (including the ESG criteria used for the gold primary supply chain).

The Refiner should disclose:

- The number and/or percentage of zero-tolerance and high-risk suppliers identified.
- The nature of the zero tolerance and high risks.
- The steps taken to mitigate these risks, including any communication with the regulators or LBMA, and the Enhanced Due Diligence procedures followed. It is understood that these cases may be sensitive and confidential. Disclosures are not expected to breach any legal requirements.

### 2.3 Has the Refiner undertaken Enhanced Due Diligence (EDD) measures for identified high-risk supply chains?

The Refiner should describe:

- The EDD procedure and tools used for the different types of precious metals-bearing material
- The on-site visits procedures undertaken, including:
  - An understanding of the resources, skills and experience of those undertaking the on-site visits (e.g. external specialist agencies, joint assessment teams, in-house personnel)
  - The timing and frequency of the on-site visits
  - The procedures implemented in instances where it is not possible to conduct mandatory on-site visits.
- The EDD procedures implemented for high-risk Recycled Gold from intermediate refiners with high-risk supply chains.

The Refiner should disclose:

- The number of all on-site visits to (high-risk) counterparties/areas for risk assessment purposes and the percentage that were conducted by external assessors, while keeping due regard to business confidentiality and other competitive concerns.
- The nature of the specific underlying issues, if any, that led to on-site visits being carried out and the nature of high risks identified during on-site visits – split by topic such as conflict, environment, social, governance, etc.

The number of intermediate refineries with high-risk supply chains that supplied independent assurance reports and the plan for obtaining the remainder.

- The frequency for conducting risk assessments.

## STEP 3: RISK MANAGEMENT

Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade or (iii) disengagement from the risk?

The Refiner should describe:

- The company's risk management strategy according to the risk's nature, including the reasons to continue, suspend and/or disengage with a counterparty.
- The company's internal risk classification.

The Refiner should disclose:

- The number of counterparties, and the context and nature of related risks for which mitigation measures have been applied.
- The efforts made by the company to monitor and track performance for risk mitigation.
- The steps taken to strengthen chain of custody or traceability systems for supply chains under risk mitigation instances and the results of the follow-up of improvement plans after six months to evaluate significant and measurable improvement.
- The number of instances where the company has decided to disengage with counterparties, without disclosing the identity of those suppliers, except where the company deems it acceptable to do so in accordance with applicable laws.<sup>5</sup>
- The cases of cooperation with national or local government authorities (having regard for confidentiality and the potential harmful effects for stakeholders, and in accordance with applicable laws).
- The reporting mechanism to the Board of Directors/Board Committee on high-risk supply chains, counterparty under risk mitigation strategies and status of risk mitigation strategies, and the progress and effectiveness of improvement plans.

#### STEP 4: INDEPENDENT THIRD-PARTY ASSURANCE

The Refiner should describe:

- The Assurance Provider selection process.
- How the Board has fulfilled its responsibility to ensure Assurance Provider independence.

The Refiner should disclose:

- High/medium-risk non-conformances identified during the current audit cycle and how these have been/are planned to be resolved (regardless of whether these have been closed by the time of Compliance Report publication).
- Progress on high/medium-risk non-conformances identified in the previous audit cycle that remain to be mitigated.

<sup>5</sup> Consistent with Annex II

- Reasons for overall compliance with the Guidance when high/medium-risk non-compliances have been raised.
- Where the assurance report will be available to the public.

#### REFINER TRANSPARENCY ROADMAP – 2026 DISCLOSURE REQUIREMENTS

This section is only applicable to Refiners on the Good Delivery List – Gold, applying RGG9. These disclosures are not subject to independent assurance in the first year of reporting, i.e. for 2025 data. Refiners are nevertheless expected to comply as fully as practically possible, or explain deviations from requirements, in the FY2025 Compliance Reports to prepare for full external assurance from FY2026.

The Refiner should disclose:

1. **World Gold Council (WGC) Mines:** the following details for all WGC member mines from which gold-bearing material is received (regardless of risk classification):
  - Name of mine
  - Location of mine (city or state, and country)
  - Name of mining company
2. **Mined Material Locations:** names of countries from which other mined material is received, where:
  - Mined material includes all categories of gold-bearing mined material.
3. **OECD FN59:** the identity of the refiner and local exporter in OECD red flag locations, where:
  - **Scope includes gold-bearing material that:**
    - originates from or has been transported through a red flag location defined below
    - is claimed to originate from recyclable/scrap or mixed sources refined in or known or reasonably suspected to transit through a red flag location defined below
  - **Recyclable/scrap or mixed sources means** unprocessed, melted, Industrial By-products and Mixed Materials per OECD DGG (i.e. it includes investment gold)
  - **Refiner means** intermediate refiner per RGG9
  - **Local exporter includes** producer, aggregator, international trader transporter or any other entity involved in the commercial export of the material
  - **Determination of OECD red flag locations** must be made using the following sources for consistent reporting:
    - U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502 Covered Countries: Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia.
    - European Union Regulation (EU) 2017/821 Conflict Affected and High Risk Areas List (EU CAHRAs List)
    - Current Financial Action Task Force (FATF) grey list and FATF grey list for preceding three years (FATF+3).<sup>6</sup>

<sup>6</sup> FATF grey lists of countries are published in June and October and archived under 'High-risk and other monitoring jurisdictions': <https://www.fatf-gafi.org/en/search-page.html>. For FY2025, Refiners should consult the following sources: [fatf-monitoring-october-2025](#); [fatf-monitored-june-2024](#); [fatf-monitored-october-2023](#); [fatf-monitored-monitoring-october-2022](#).

*Refiners should take note that the sources listed above for the determination of OECD red flag locations for due diligence purposes are non-exhaustive lists. Further, RGG9 still requires high risk determination and due diligence through the integrated location, supplier and type of material assessment, and that the output of this integrated risk assessment framework is expected to be broader than the public disclosures required under the Refiners Transparency Roadmap. Refiners should continue to conduct risk assessments and due diligence based on the RGG9 integrated risk assessment and continue to report to LBMA the official names and locations, and confirmation of enhanced due diligence, of all RGG9 high-risk suppliers through the Gold High-Risk Suppliers Form. This Gold High-Risk Suppliers Form is subject to the independent assurance engagement.*

### **Exemption**

LBMA recognises multi-metal procurement can differ from that of single-metal gold and that this can create distinct commercial sensitivities for multi-metal Refiners. To address this, LBMA has introduced a limited exemption for the above requirements to balance operational factors relevant to particular Refiners with LBMA's transparency objectives.

### **What may be exempted**

The identity of the Refiner and local exporter in OECD red flag locations for sourcing of:

- Industrial By-products, typically multi-metallic materials consisting of gold together with base metals, or gold together with other precious metals and other elements and impurities.
- Low-grade unprocessed recyclables or low-grade melted recyclables, typically with a gold content of 2% or below and where gold is not the main or only recoverable metal.

A non-exhaustive list of such material is included in the application form. LBMA will consider any other materials through the formal application process.

For Mining By-products, per the definition of origin of mining by-product in the OECD DD Guidance and RGGv9, the location to determine red flag risks will be at the point of separation of the precious metal. Mining By-products with a gold content of 2% or below may also lead to an exemption of disclosing requirements.

### **How to apply for the exemption**

In order to be considered for this exemption, Refiners must make an application to LBMA's Good Delivery Department at least 3 months in advance of the Compliance Report submission deadline, or as soon as practically feasible. An exemption application must be submitted for all material types, including for the material types already stated in the application form. LBMA's Responsible Sourcing Compliance Panel will determine whether the exemption is valid.

### **What happens when an exemption is agreed**

Where the Good Delivery Team approves an exemption request, the Refiner will be required to publicly disclose in the Refiner's Compliance Report:

- *The number* of refiners and local exporters in red flag locations by continent.
- Statements that the information on the identities and high-risk location of suppliers of the exempted material:
  - has been disclosed privately to LBMA
  - may be shared with interested parties on a bilateral basis, subject to the interested party meeting the eligibility criteria specified in the application form
  - has been subject to the risk-based third-party assurance, as has the exemption.



# Country of Origin Form

The Country of Origin Form has been updated to include the Mining By-product category. This is only mandatory for supplies received from 1 January 2026, but GDL Refiners are welcome to use the category for the FY2025 reporting.

Refiners must submit their Country of Origin (CoO) data by uploading the csv file available on the Gold Bar Integrity (GBI) platform.

## Ongoing Disclosure

Supply chain due diligence is an ongoing process and Refiners should adopt disclosure practices that enable them to reflect the ongoing nature of due diligence, beyond annual reporting.

The following recommendations and principles are provided to guide Refiners on enhancing their due diligence disclosure:

- **A wider meaning to due diligence:** communicating on due diligence outside the annual cycle of reporting is an opportunity for Refiners to demonstrate their efforts on environmental, social and governance issues, beyond strict application of due diligence. Refiners can, for instance, report on their greenhouse gas emissions and efforts to reduce these, or on leverage exerted with counterparties to reduce mercury use in the supply chain, to demonstrate due diligence considerations and progress towards their environmental impacts throughout the supply chain.
- **Transparency:** mention the nature of the risks that are being dealt with and give information as to the context in which they might occur. For instance, provide the location in the supply chain and broader geographical area.
- **Proactive engagement:** opt for proactive disclosure, rather than reactive communication with regards to potential risks in the supply chain.
- **Acknowledge the complexity of risks:** welcome and publicly acknowledge any (new) source of material information with regards to possible risks in the company supply chain and provide external stakeholders with an understanding of the challenges related to the management of these risks.
- **Ongoing communication:** show the company efforts in raising awareness about the complexity of the issues.
- **Accountability:** assure external stakeholders of the responsibility of the company in managing the potential risks in its supply chain.
- **Predictability:** regularly communicate to external stakeholders on the issues that were identified and on the due diligence steps to be implemented, as per the company due diligence and risk management strategy.

### *Example: Ongoing communication*

This example from a [Valcambi – 2019 Press Release](#) explains the sourcing of Colombian ASM gold and related engagement with upstream suppliers on risk mitigation, and also provides some insights in terms of related mitigation efforts.

*“To date, five hundred Barequeros have received support from the on-the-ground BGI implementation team to attain the SBGA criteria of socially and environmentally responsible mining practices. As part of the scheme, the miners are subject to strict due diligence before they can sell their gold to Anexpo. The metal is then shipped to Switzerland where Valcambi refines it and Chopard finally uses it in the production of its precious watch and jewellery creations. The programme ensures that the Barequeros receive not only a competitive price but also a special SBGA Better Gold Incentive of 0.70 per gram for them to reinvest into improving their living and working conditions. In addition, this value chain allows them to know the exact destination of their gold.*

*In El Chocó, Colombia’s second-largest gold producing region and also one of the country’s poorest, artisanal gold mining is an ancestral livelihood for the population of predominantly Afro-Colombians. The Barequeros, comprising 46 percent women, use local traditional alluvial mining techniques with hand equipment such as sluices and panning. No mercury is used, protecting the region’s biodiversity which is among the most unique in the world. To be legally registered, the Barequeros need to obtain a special permit that allows them to produce manually and sell up [to] 420 grams of gold per year.”*

*Example: Transparent communication*

In this example, Argor Heraeus explains its approach for continuing to source from CAHRAs.

“Mining is an important industry for the local population. Argor-Heraeus has therefore made it a priority to support better environmental standards and improve labour and living conditions of workers in legal local mining operations. As an example, the “Better Gold Initiative” rewards small mining entities in Peru that implement exemplary environmental, labour and social standards.”

**KEY INSIGHT: RESPONDING TO A RESPONSIBLE SOURCING-RELATED INCIDENT**

Refiners should follow as much as possible a proactive approach to disclosure (i.e. disclosing information in a timely manner and according to stakeholders’ expectations). However, when facing allegations related to their responsible sourcing practices, there are a few, basic questions that Refiners can address to disclose key, relevant information to external stakeholders and maintain transparency.

At a minimum, Refiners’ communication when responding to an incident should seek to answer the following questions:

- What is the incident about? What are the underlying issues and risks?
- Why is the issue important?
- Who are we talking about? Who are the stakeholders affected by the incident?
- Where is the incident located? Where in the supply chain was the problem identified?
- When was the problem occurring and when was it identified? When is the problem going to be addressed?
- How will it be addressed, by whom and over what period? Will other parties be involved?

When addressing the above questions in a response to an incident, it is important to keep the following key principles in mind:

- Control the narrative: be factual and accurate
- Remain accountable: be engaged and empathetic
- Communicate next steps: be progressive and forward-looking.