



# LME Policy on Responsible Sourcing of LME-Listed Brands

Revision date: February 2023

## CONTENTS

| <b>CLAUSE</b> |   | <b>PAGE</b> |
|---------------|---|-------------|
| 1             | Summary   | 2           |
| 2             | General Requirements  | 3           |
| 3             | Certification Requirements: ISO 14001 and OHSAS 18001 / ISO 45001 Requirements for Brands       | 4           |
| 4             | Brand Compliance  | 5           |
| 5             | Track A: Recognised Alignment-Assessed Standard Track   | 7           |
| 6             | Track B: Audited LME RFA Track  | 12          |
| 7             | Track C: Published LME RFA Track  | 14          |
| 8             | Track D: Secondary Materials Track  | 16          |
| 9             | Recognition of Standards, Equivalent Certification Programmes, Alignment Assessors and Auditors | 18          |
| 10            | The LME's Powers to Take Brand Action   | 19          |
| 11            | Information Sharing   | 20          |
| 12            | Notification of Grievances  | 21          |
| 13            | The LME's Own-Initiative Investigation  | 21          |
| 14            | Co-Operation with LME Investigations  | 21          |
| 15            | Timetable   | 22          |
| 16            | Changes to Policy   | 22          |
| 17            | Glossary  | 24          |

# 1 Summary

- 1.1 This Policy sets out the basis on which The London Metal Exchange ("**the LME**") will determine whether a Brand is compliant with the LME's standards for the responsible sourcing of Metals admitted to trading on the LME.
- 1.2 This Policy sets out:
- (a) the general requirements that the LME will apply to determine whether and how to list a Brand, having regard to the LME's interests in promoting the responsible sourcing of Metals (Paragraph 2);
  - (b) the certification requirements to be satisfied in respect of all Brands listed by the LME (Paragraph 3);
  - (c) the process that the LME shall apply to listed Brands by which such Brands shall achieve compliance with this Policy, and the basis on which such compliance shall be determined (Paragraph 4);
  - (d) the requirements to be applied in respect of Brands applying the Recognised Alignment-Assessed Standard Track (Paragraph 5);
  - (e) the requirements to be applied in respect of Brands applying the Audited LME RFA Track (Paragraph 6);
  - (f) the requirements to be applied in respect of Brands applying the Published LME RFA Track (Paragraph 7);
  - (g) the requirements to be applied in respect of Brands applying the Secondary Materials Track (Paragraph 8);
  - (h) the LME's approach to the recognition of Standards, Certification Programmes, Alignment Assessors and Auditors (Paragraph 9);
  - (i) the action that the LME may take in respect of any Brand that is not compliant with any requirement of this Policy (Paragraph 10);
  - (j) the basis on which the LME may use or disclose information obtained from Producers pursuant to the arrangements described in this Policy (Paragraph 11);
  - (k) the ability of persons to raise responsible sourcing related grievances in respect of any listed Brand (Paragraph 12);
  - (l) the LME's own-initiative powers to conduct investigations into a Brand's compliance with this Policy (Paragraph 13);
  - (m) the process that the LME shall apply in respect of any grievance or own-initiative investigation, and requirements for Producers to co-operate with such investigations (Paragraph 14);
  - (n) confirmation of the timeline for the actions to be taken under this Policy (Paragraph 15);
  - (o) how this Policy may be changed from time to time (Paragraph 16); and
  - (p) a glossary of defined terms used in this Policy (Paragraph 17).



- 1.3 Terms which are used in this Policy are defined in Paragraph 17 of this Policy. Terms not otherwise defined in this Policy shall have the meaning ascribed to them in the LME's Rulebook (as amended from time to time) available on the Exchange's website at: <https://www.lme.com/regulation/rules/rulebook/> (the "**Rules**").

This Policy shall be "*LME's Policy on Responsible Sourcing of LME-Listed Brands*", for the purpose of Part 7 of the Rules.

References to "**Paragraphs**" refer to the paragraphs of this Policy. References to "**Regulations**" in this Policy are references to the regulations of the Rules unless otherwise stated.

- 1.4 Unless a contrary indication appears, where in this Policy it states that the LME "may" do something or take such step as it considers appropriate or where in this Policy any discretion, power or right is conferred on the LME, it shall be interpreted to mean that the LME may do that thing, or take that step or exercise that discretion, power or right conclusively and in its sole, absolute and unfettered discretion and without consultation or notice to any other person. The LME shall exercise such discretion in a manner designed to promote and maintain integrity, high standards and fair dealing in accordance and consistent with applicable laws.

## 2 General Requirements

- 2.1 A Metal may only be listed as a Brand where the LME determines that it shall be listed in accordance with this Policy.
- 2.2 The LME may determine that a Metal shall be listed in accordance with this Policy where:
- (a) the LME has determined that the Brand complies with the requirements set out in Paragraph 3 (*Certification Requirements*);
  - (b) the LME has determined that the Brand complies with the requirements identified in Paragraph 4 (*Brand Compliance*), and specified in detail in Paragraphs 5 (*Recognised Alignment-Assessed Standard Track*), 6 (*Audited LME RFA Track*), 7 (*Published LME RFA Track*), or 8 (*Secondary Materials Track*);
  - (c) the Producer complies with all other requirements applicable to a Producer set out in this Policy; and
  - (d) the Producer complies with any other reasonable requirements notified by the LME from time to time.
- 2.3 Where the LME considers that any of the requirements of this Policy are not satisfied in respect of a Brand, the LME may take any of the actions specified in Paragraph 10 (*The LME's Powers to take Brand Action*) in relation to such Brand, subject to and in accordance with the requirements of that Paragraph.
- 2.4 In the event that a Producer or any other person (an "**Objecting Party**") disagrees with the LME's determination of any matter under this Policy, such Objecting Party may notify the LME in writing of such disagreement. Provided that such notification is received by the LME within 1 month of the LME's relevant determination, the LME shall liaise with the Objecting Party in order to understand and consider the Objecting Party's concerns and, where practicable, prior to such determination becoming effective. However, for the avoidance of doubt, any person's (including any Producer's) obligations in respect of the matters subject to determination shall be unchanged in the event that the LME maintains its original determination. For the avoidance of



doubt, the process described in this Paragraph 2.4 shall be separate from, and shall not involve the application of, the complaints-handling processes specified in the Rules.

- 2.5 The LME may publish Guidance Notes specifying additional information and/or guidance to assist in the interpretation, and implementation of the requirements, of this Policy.
- 2.6 The LME is not responsible for ensuring that any Producer is able to meet any particular timeframe or commercial deadline for achieving any particular status or milestone described in this Policy.

### **3 Certification Requirements: ISO 14001 and OHSAS 18001 / ISO 45001 Requirements for Brands**

#### **3.1 Required Certification**

Each Producer shall ensure that its Brands shall each be certified as compliant with:

- (a) ISO 14001 and OHSAS 18001 / ISO 45001; or
- (b) Equivalent Certification Programmes,

in respect of the production methods (being the smelting or equivalent step, in all cases being the final substantive step resulting in the production of LME grade metal) applied at the facility or facilities at which the Brand is produced and, following the initial certification, shall ensure that such certification remains current and valid. Each Producer shall ensure that the LME is at all times in receipt of a current, valid copy of each such certification.

#### **3.2 Use of Other Market Certification Programmes**

A Certification Programme Owner may submit to the LME an ISO / OHSAS Equivalence Assessment in respect of that Certification Programme and (following confirmation by the LME that the Certification Programme represents an Equivalent Certification Programme), request that the Equivalent Certification Programme be specified on the list published by the LME in accordance with Paragraph 9.5 below.

#### **3.3 Use of Equivalent Certification Programme**

A Producer proposing to apply a Certification Programme that it considers to be an Equivalent Certification Programme must either:

- (a) demonstrate to the LME that the Certification Programme is contained on the list of Equivalent Certification Programmes published by the LME in accordance with Paragraph 9.5 below; or
- (b) provide to the LME an ISO / OHSAS Equivalence Assessment in respect of the Certification Programme. If the Producer is not the Certification Programme Owner, then the Producer must provide to the LME evidence, acceptable to the LME, that the Certification Programme Owner agrees to the use by the Producer of such ISO / OHSAS Equivalence Assessment.

#### **3.4 Timings for submission of certificates**

##### **(a) Brands Listed as at 31 December 2023**

The Producer of any Brand that is listed as of 31 December 2023 must submit its initial certifications under Paragraph 3.1 by 31 December 2023. If the Producer proposes to make use of an Equivalent Certification Programme, it must have ensured that the ISO /



OHSAS Equivalence Assessment has been reviewed by the LME in sufficiently good time prior to this date to enable both: (i) the LME to complete the appropriate assessment under Paragraphs 3.2 or 3.3 (as applicable) and (ii) the Producer to obtain the necessary certification.

(b) **New Applications for Listing**

Any Producer applying for the listing of a Brand (where such listing is expected to take effect after 31 December 2023) must submit its certifications under Paragraph 3.1 as part of its application for listing. If the Producer proposes to make use of an Equivalent Certification Programme which is not already the subject of an ISO / OHSAS Equivalence Assessment, it must submit the ISO / OHSAS Equivalence Assessment as part of the application for listing.

For the avoidance of doubt, the LME may delay or deny the granting of listed-Brand status to any Brand application until this process has been completed to the LME's satisfaction.

3.5 The LME will require an appropriate period of time to process an application in respect of a Certification Programme. Producers should liaise with the LME to understand the LME's indicative timing for completing its assessment and to ensure such Producers allow adequate timing for this process to be completed.

3.6 **Choice of Third Party Assessor**

A Producer that intends to submit an ISO / OHSAS Equivalence Assessment shall, prior to making such submission, notify the LME of the identity of the third party that has undertaken, or that it proposes to undertake, the assessment. The Producer shall not submit to the LME an ISO / OHSAS Equivalence Assessment produced by a third party where the LME has notified the Producer that such third party is not acceptable to the LME.

## 4 Brand Compliance

4.1 From the relevant date as specified by this Policy, in order to qualify as an LME-listed Brand, a Brand must either be sourcing 100% Secondary Materials or be compliant with the OECD Guidance (including the relevant items of steps 1 to 5, as set out therein). Such compliance shall be determined by applying the following process:

- (a) the Brand determines if sources are 100% Secondary Materials and if so, applies Track D below; if not, the Brand continues to 4.1(b);
- (b) the Brand must satisfy OECD Step 1;
- (c) the Brand must satisfy OECD Step 2a;
- (d) upon the completion of OECD Step 2a, the Producer of a Brand must elect to apply Tracks A, B or C from the following table:

| Track Identifier | Name of Track                                | Requirements for Track |
|------------------|--|------------------------|
| A                | Recognised Alignment-Assessed Standard Track | Paragraph 5            |
| B                | Audited LME RFA Track                        | Paragraph 6            |



|   |                           |             |
|---|---------------------------|-------------|
| C | Published LME RFA Track   | Paragraph 7 |
| D | Secondary Materials Track | Paragraph 8 |

#### 4.2 Identification of Track

In the event that, pursuant to the Red Flag Assessment carried out as part of OECD Step 2a:

- (a) the Producer identifies any OECD Red Flags, then the Producer must apply the Recognised Alignment-Assessed Standard Track in respect of the Brand; or
- (b) the Producer identifies no OECD Red Flags, then the Producer may apply any of:
  - (i) the Recognised Alignment-Assessed Standard Track;
  - (ii) the Audited LME RFA Track; or
  - (iii) the Published LME RFA Track,
in respect of the Brand.

For the avoidance of doubt, a Producer may elect to apply the Recognised Alignment-Assessed Standard Track where no OECD Red Flags are identified pursuant to the Red Flag Assessment or instead of the Secondary Materials Track.

The LME is aware that there may be exceptionally rare cases where an OECD Red Flag is considered to have been addressed by the Producer prior to the LME RFA submission and no longer remains an OECD Red Flag. The LME RFA Template allows Producers to explain these situations. Referrals to Track A on these Red Flags will be determined on the basis of information provided to the LME, with the LME seeking further information when required. All Producers who remain on Tracks B or C are subject to the public disclosure elements outlined in Paragraphs 6.7 (For Track B) and 7.6 (for Track C).

#### 4.3 Notification of Proposed Track

The Producer of a Brand must notify the LME which Track it intends to apply in respect of the Brand and follow the relevant requirements of that Track:

- (c) on or before 30 June 2022, in the case of a Brand that is already listed by that date; or
- (d) at the time of application for listing of the Brand, in the case of a Brand that is not already listed by 30 June 2022.

#### 4.4 Reclassification by the LME

The LME may at any time:

- (a) reclassify a Non-Track A Brand as a Track A Brand in the event that the LME is in receipt of information that, in the LME's determination, indicates that the Brand should be a Track A Brand, and require that the Producer comply with the requirements for Brands assessed in accordance with the Recognised Alignment-Assessed Standard Track;
- (b) notify a Producer that a Track A Brand may be reclassified as a Non-Track A Brand in the event that the LME is in receipt of information that, in the LME's determination, indicates



that the Brand satisfies the requirements for a Non-Track A Brand, in which case the Producer may elect to comply with the requirements for Brands assessed in accordance with any of: (i) the Recognised Alignment-Assessed Standard Track; (ii) the Audited LME RFA Track; or (iii) the Published LME RFA Track (as applicable).

By way of example, but without limitation, the LME may be in receipt of such information that causes it to reclassify Non-Track A Brands as Track A Brands as a consequence of information or market feedback received from:

- (i) public, industry or other market sources; or
- (ii) any person or market participant pursuant to the submission of a Grievance, or the investigation of a Grievance.

4.5 In the event that it is determined that a Non-Track A Brand should be re-classified as a Track A Brand for any reason, such re-classification shall take immediate effect, and the relevant requirements and timings applicable to the Recognised Alignment-Assessed Standard Track shall be applied.

#### 4.6 **Voluntary Reclassification by Producer**

A Producer may elect to change the Track applied in respect of a Brand, provided in each case that the application of the newly selected Track is permissible for the Brand, in accordance with Paragraph 4.2. Before a Producer makes any such election to change the Track applied in respect of a Brand, the Producer must notify the LME in order that the LME may confirm to the Producer the applicable timescales within which the Brand must comply with the relevant requirements for the newly selected Track.

## 5 **Track A: Recognised Alignment-Assessed Standard Track**

### 5.1 **Standard Adoption**

Where the Producer of a Brand proposes to apply the Recognised Alignment-Assessed Standard Track, such Producer must commit to adopt a Standard for such Brand, and notify the LME of the Standard which it intends to adopt.

### 5.2 **Alignment Assessment**

- (a) A Producer must ensure the alignment of its proposed Standard with the OECD Guidance. Such Standard may be an Internal Standard or an External Standard.
- (b) A Standard Owner which is not a Producer may submit an OECD Alignment Assessment in respect of an External Standard, and (following confirmation by the LME that the External Standard is aligned), request that the External Standard be specified on the list published by the LME in accordance with Paragraph 9.5 below.
- (c) A Producer must demonstrate to the LME that alignment has been achieved. Such alignment may be demonstrated either by:
  - (i) the Standard being specified on the list published by the LME in accordance with Paragraph 9.5 below; or
  - (ii) the Producer providing to the LME an OECD Alignment Assessment in respect of the Standard, from a Recognised Alignment Assessor. If the Producer is not the Standard Owner, then the Producer must provide evidence, acceptable to the LME,





that the Standard Owner agrees to the use by the Producer of such OECD Alignment Assessment.

For the avoidance of doubt, in the event that a Producer proposes to use a Standard in respect of which an OECD Alignment Assessment has already been completed, such Producer shall not be required to undertake an additional OECD Alignment Assessment unless the LME, having reviewed such assessment, notifies the Producer that it requires an additional assessment to be undertaken.

- (d) Subject to (e) below, the LME shall not regard any Standard as being aligned unless and until:
- (i) the LME is in receipt of an OECD Alignment Assessment, in a form acceptable to the LME, from a Recognised Alignment Assessor, demonstrating the alignment of such Standard with the OECD Guidance; and
  - (ii) the LME has reviewed such OECD Alignment Assessment and is itself satisfied that the Standard is sufficiently aligned with the OECD Guidance. Without limitation to the LME's discretion, in coming to a determination pursuant to this Paragraph 5.2(d), the LME may discuss the matter with the OECD and may take the views of the OECD into account.
- (e) Where an OECD Alignment Assessment demonstrates substantial but not complete alignment of a Standard with the OECD Guidance, the LME shall be entitled to form its own view regarding the alignment. In such circumstances:
- (i) the LME may regard such Standard as aligned, subject to any such additional conditions as the LME may determine are appropriate; and
  - (ii) the Standard Owner and/or Producer must comply with any such conditions.

For example, the LME may consider that certain elements of the OECD Guidance have limited application to a specific Metal, in which case the LME may accept an OECD Alignment Assessment for a Standard applying only to that Metal where such OECD Alignment Assessment reflects such limited application and, where in the LME's view, it is accompanied by an adequate explanation of the scope of, and rationale for, such limitation.

- (f) The LME will require an appropriate period of time to process an application in respect of a Standard and to reach a view as to the alignment of a Standard. Producers should liaise with the LME to understand the LME's indicative timing for completing its assessment and to enable such Producers to allow adequate timing for this process to be completed.
- (g) For the avoidance of doubt, where an OECD Alignment Assessment has not demonstrated alignment of a Standard with OECD Guidance, the LME may reject such Standard, and the Standard consequently cannot be used to meet the requirements of this Policy.
- (h) In the event that, in the opinion of the LME, there are substantive changes in: (i) the OECD Guidance; (ii) this Policy; or (iii) any Standard, the LME shall determine whether any existing Recognised Alignment-Assessed Standard must undergo a new OECD Alignment Assessment (either in respect of the whole Standard or in respect of any specific aspects of the Standard). The LME shall also determine the timescales within which the Producer must: (1) complete such assessment process, and (2) provide any



subsequent Standard Audit Report in respect of the Standard for the purposes of Paragraph 5.3. Without limitation to LME's discretion, in coming to a determination pursuant to this Paragraph 5.2(h), the LME may discuss the matter with the OECD and may take the views of the OECD into account.

- (i) In the event that:
  - (i) a Producer proposes to use a Standard which has satisfied the "*Standards*" section of the OECD Methodology, but has not yet satisfied the "*Implementation*" section of the OECD Methodology; and
  - (ii) the LME has determined that the Standard has otherwise satisfied the requirements of this Paragraph 5.2,

then in the period between the date of the LME's determination and the date that the results of the assessment under the "*Implementation*" section of the OECD Methodology are published, the LME and the Producer shall treat the Standard as being aligned with the OECD Guidance on the condition that it does not subsequently fail its assessment under the "*Implementation*" section of the OECD Methodology. For the avoidance of doubt, Paragraph 5.2(e) shall apply to any assessment of alignment pursuant to this Paragraph 5.2(i), such that the LME shall be entitled to form its own view regarding the satisfaction by a Standard of either or both the "*Standards*" and "*Implementation*" sections of the OECD Methodology, and may accordingly impose conditions to the treatment of the Standard as being aligned.

- (j) A Producer that proposes to use a Standard that has been assessed as aligned, in accordance with the OECD Methodology, with the standards established by a standard-setting body other than the LME, shall first notify the LME of the proposed Standard and the results of the OECD Alignment Assessment in order for the LME to determine whether to accept such Standard and assessment as capable of satisfying the requirements of this Paragraph 5.2.

### 5.3 Brand Compliance

- (a) A Producer must procure a Standard Audit Report, and submit such report to the LME. The Producer shall provide to the LME such additional information in support of the assessments and conclusions set out in the Standard Audit Report as the LME may reasonably request.
- (b) The Standard Audit Report must be undertaken by:
  - (i) in the case of an External Standard, an approved or accredited auditor satisfying the requirements for audits and/or assurance assessments set out in that External Standard;
  - (ii) in the case of an Internal Standard, a Recognised Auditor.
- (c) The LME shall not regard a Brand as being compliant with the relevant Standard unless and until:
  - (i) the Standard has been confirmed as aligned with the OECD Guidance in accordance with Paragraph 5.2;



- (ii) the LME is in receipt of a Standard Audit Report, from an approved or accredited auditor pursuant to Paragraph 5.3(b), demonstrating the compliance of the Brand with the relevant Standard;
  - (iii) in the case of an External Standard, the Standard Audit Report has undergone the necessary review processes specified by that External Standard; and
  - (iv) the LME has reviewed such Standard Audit Report (and, in the case of an External Standard, the results of any review process specified by that External Standard) and is itself satisfied that the Brand is compliant with the relevant Standard.
- (d) The LME shall not accept any Standard Audit Report conducted by an auditor who, in the period two years prior to the issuance of the Standard Audit Report, acted as the Recognised Alignment Assessor in respect of the Standard to which the Standard Audit Report relates.

#### 5.4 Internal and External Standards

- (a) The LME may, in its discretion, seek a greater degree of assurance regarding any OECD Alignment Assessment and/or Standard Audit Report produced in relation to an Internal Standard than it would require in respect of an External Standard, by requiring further information or otherwise.
- (b) An Internal Standard must require an update of the associated Standard Audit Report at least once every three years and, in any event, following any material change to the OECD Guidance or the Standard.

#### 5.5 Timing requirements for Brands Listed as at 30 June 2022

##### (a) Application

This Paragraph 5.5 shall apply to Brands that were listed prior to 30 June 2022, and which are classified as Track A Brands on 30 June 2022, pursuant to the notification under Paragraph 4.3.

##### (b) Requirements

The Producer of any Brand to which this Paragraph 5.5 applies must comply with the following requirements.

- (i) No later than **30 June 2022** (being also the date when Producers must notify the LME of their nominated Track pursuant to Paragraph 4.3), the Producer must notify the LME of the Standard which it intends to adopt for the Brand, pursuant to Paragraph 5.1.
- (ii) No later than **31 December 2022**, the Producer must submit an OECD Alignment Assessment to the LME, in respect of its chosen Standard, pursuant to Paragraph 5.2(d).

This step shall not be required if the Standard is an External Standard that, as of **31 December 2022**, is already a Recognised Alignment-Assessed Standard specified on the list published by the LME in accordance with Paragraph 9.5 below.

- (iii) No later than **31 December 2023**, the Producer must submit to the LME a Standard Audit Report and any other information required pursuant to Paragraph 5.3. The



Producer must ensure that the Standard Audit Reports required pursuant to Paragraph 5.3 are updated in accordance with the timescales specified in the Standard, and such updated reports and any other information submitted to the LME once completed, in accordance with the requirements of Paragraphs 5.3 and 5.4.

## 5.6 Timing requirements for newly-listed Track A Brands

### (a) Application

This Paragraph 5.6 shall apply to Brands that become listed after 30 June 2022 and which are classified as Track A Brands at the time of listing (on the basis of the notification made by the Producer as part of the listing application). The date on which the application for listing is submitted to the LME shall be the "**Application Date**".

### (b) Requirements

The Producer of any Brand to which this Paragraph 5.6 applies must comply with the following requirements.

- (i) On the Application Date, the Producer must notify the LME of the Standard which it intends to adopt for the Brand, pursuant to Paragraph 5.1.
- (ii) By the later of (i) the Application Date and (ii) **31 December 2022**, the Producer must submit an OECD Alignment Assessment to the LME, in respect of its chosen Standard, pursuant to Paragraph 5.2(d).

This step shall not be required if the Standard is an External Standard that, as of the later of (i) the Application Date and (ii) **31 December 2022**, is already a Recognised Alignment-Assessed Standard specified on the list published by the LME in accordance with Paragraph 9.5 below.

- (iii) By the later of (i) the Application Date and (ii) **31 December 2023**, the Producer must submit to the LME a Standard Audit Report and any other information required pursuant to Paragraph 5.3.
  - (iv) The Producer must ensure that the Standard Audit Reports required pursuant to Paragraph 5.3 are updated in accordance with the timescales specified in the Standard, and such updated reports and any other information required are submitted to the LME once completed, in accordance with the requirements of Paragraphs 5.3 and 5.4.
- (c) For the avoidance of doubt, to the extent that steps above are required as of the Application Date, then the relevant information must be provided as part of the Producer's application for listing of the Brand. The LME may delay or deny the granting of listed-brand status until such the LME is in receipt of such information to its satisfaction.

## 5.7 Timing requirements for Brands reclassified as Track A Brands subsequent to 30 June 2022

### (a) Application

This Paragraph 5.7 shall apply to Brands that, subsequent to 30 June 2022, are reclassified as Track A Brands.



(b) **Requirements**

The LME shall, in its absolute discretion (and acting reasonably) prescribe the dates from which such Brands must comply with the requirements of Paragraphs 5.1 to 5.4 above.

5.8 **Public disclosure**

Transparency reports must be made pursuant to the transparency requirements of the relevant Standard, including the requirements of OECD Step 5. Such transparency reports must be published on a publicly-accessible website maintained by the Producer, with a link to such page or pages of the LME's own website as the LME may specify.

## 6 **Track B: Audited LME RFA Track**

6.1 **Eligibility for Audited LME RFA Track**

A Producer may only apply the Audited LME RFA Track to a Brand in the event that:

- (a) an LME RFA has been completed in respect of the Brand;
- (b) the most recent LME RFA conducted in respect of such Brand has identified no OECD Red Flags in respect of that Brand; and
- (c) the Producer has obtained an Audit Report confirming that such assessment is correct.

For the avoidance of doubt, in the event that the Audit Report does not confirm the assessment that there are no OECD Red Flags for the Brand as being correct, the Producer must apply the Recognised Alignment-Assessment Standard Track in respect of the Brand.

6.2 **Audit**

A Producer must, in respect of each Reporting Period, and for each Brand for which it proposes to apply the Audited LME RFA Track, procure an audit or suitable assurance report, in order to verify that its LME RFA in respect of the relevant Reporting Period has correctly reached the conclusion that no OECD Red Flags have arisen, and is based on appropriate and accurate information (an "**Audit Report**").

6.3 **Auditor**

The audit must be undertaken by a Recognised Auditor.

6.4 **Timings for submission of Audit Report**

The following timings apply in respect of any Brand to which the Audited LME RFA Track applies.

(a) **Brands Listed as at 30 June 2022**

The Producer of any Brand that is already listed as of 30 June 2022 must submit its first Audit Report by 30 June 2022 (being also the date when Producers must notify the LME of their nominated Track pursuant to Paragraph 4.3). Such first Audit Report must relate to an LME RFA in respect of the 2021 Reporting Period.

(b) **Initial Listing of Brands taking effect after 30 June 2022**

Any Producer applying for the listing of a Brand (where such listing is expected to take effect after 30 June 2022) must submit an Audit Report as part of its application for listing. The Audit Report should cover an LME RFA that relates to (at the Producer's choice)



either (i) the Reporting Period that ended in the most recent calendar year prior to the calendar year in which the date of the application falls, or (ii) the Reporting Period which ended in the calendar year in which the date of the application falls, provided that this Reporting Period ended prior to the date of the application. However, if (i) is elected, and such Reporting Period would have ended less than six months prior to the application date, then the LME RFA and Audit Report may relate to the next preceding Reporting Period.

For the avoidance of doubt, the LME may delay or deny the granting of listed-Brand status until the LME is in receipt of an Audit Report that has been completed to its satisfaction and any reviews and/or determinations pursuant to Paragraphs 6.5 and 6.6 have been completed.

(c) **Brands Reclassified to the Audited LME RFA Track after 30 June 2022**

The Producer of a Brand that is reclassified as a Brand to which the Audited LME RFA Track shall be applied shall be required to provide an Audit Report, compliant with the requirements of this Paragraph 6, on such date as the LME may, in its absolute discretion (and acting reasonably), specify.

(d) **On-Going Assessments**

The Producer of any Brand that is listed as of 30 June 2023, and/or on any subsequent 30 June, must (by 30 June of the year in question) submit a new Audit Report in respect of an LME RFA relating to the Reporting Period ending in the year preceding the year in question.

## 6.5 **LME Review**

The LME shall be entitled to review the Audit Report and may:

- (a) in the event that the LME has concerns or questions regarding any aspect of the Audit Report, the basis of its production, its conclusions or any of its content, require the Producer to respond to such concerns or questions and/or procure that the Recognised Auditor do so; and
- (b) in the event that the LME is not satisfied with the responses to such concerns or questions, require the Brand to be reclassified as, and assessed under the requirements for, the Recognised Alignment-Assessed Standard Track.

## 6.6 **LME Requests for Information**

The LME may ask a Producer for further information, clarifications or explanations, in order to assist the LME to review the Audit Report. In the event that a Producer does not comply with such requests, the LME may (in its discretion) classify the Brand as a Track A Brand and/or take any Brand Action in respect of such Brand.

## 6.7 **Public disclosure**

The results of the Audit Report must be disclosed, pursuant to OECD Step 5, not later than the 31 December following submission of the relevant Audit Report to the LME.

Such results must be published on a publicly-accessible website maintained by the Producer, with a link to such page or pages of the LME's own website as the LME may specify.



## 7 Track C: Published LME RFA Track

### 7.1 Eligibility for Published LME RFA Track

A Producer may only apply the Published LME RFA Track to a Brand in the event that:

- (a) an LME RFA has been completed in respect of the Brand; and
- (b) the most recent LME RFA conducted in respect of such Brand has identified no OECD Red Flags in respect of that Brand.

### 7.2 Timings for submission of LME RFA

The following timings apply in respect of any Brand to which the Published LME RFA Track applies.

#### (a) Brands Listed as at 30 June 2022

The Producer of any Brand that is already listed as of 30 June 2022 must submit its first LME RFA by 30 June 2022 (being also the date when Producers must notify the LME of their nominated Track pursuant to Paragraph 4.3). Such first LME RFA must relate to the 2021 Reporting Period.

#### (b) Initial Listing of Brands taking effect after 30 June 2022

Any Producer applying for the listing of a Brand (where such listing is expected to take effect after 30 June 2022) must submit an LME RFA as part of its application for listing. The LME RFA should relate to (at the Producer's choice) either (i) the Reporting Period that ended in the most recent calendar year prior to the calendar year in which the date of the application falls, or (ii) the Reporting Period which ended in the calendar year in which the date of the application falls, provided that this Reporting Period ended prior to the date of the application. However, if (i) is elected, and such Reporting Period would have ended less than six months prior to the application date, then the LME RFA may relate to the next preceding Reporting Period.

For the avoidance of doubt, the LME may delay or deny the granting of listed-Brand status until the LME is in receipt of an LME RFA that has been completed to its satisfaction, and a determination has been made in respect of the resultant classification in accordance with Paragraphs 7.3 to 7.4 (and/or, where applicable, Paragraph 4.4).

#### (c) Brands Reclassified to the Published LME RFA Track after 30 June 2022

The Producer of a Brand that is reclassified as a Brand to which the Published LME RFA Track shall be applied shall be required to provide an LME RFA, compliant with the requirements of this Paragraph 7, on such date as the LME may, in its absolute discretion (and acting reasonably), specify.

#### (d) On-Going Assessments

The Producer of any Brand that is listed as of 30 June 2023, and/or on any subsequent 30 June, must (by 30 June of the year in question) submit an updated LME RFA relating to the Reporting Period ending in the year preceding the year in question.

### 7.3 Review and Determination by the LME

Following receipt of a completed LME RFA in respect of a Brand, the LME shall:



- (a) undertake a review of the assessment and the Producer's proposed classification specified therein;
- (b) determine whether the LME:
  - (i) agrees; or
  - (ii) disagrees,
 with such assessment and classification; and
- (c) notify the Producer of its determination, including (where the LME disagrees with the Producer) the LME's determination of the classification of the Brand.

#### 7.4 LME Requests for Information

The LME may ask a Producer for further information, clarifications or explanations, in order to assist the LME to review the Producer's submission. In the event that a Producer does not comply with such requests, the LME may (in its discretion) classify the Brand as a Track A Brand and/or take any Brand Action in respect of such Brand.

#### 7.5 Disagreement with the LME's Determination

For the avoidance of doubt, in the event that a Producer disagrees with the LME's determination pursuant to Paragraph 7.3, such Producer may notify the LME in writing of such disagreement in accordance with Paragraph 2.4.

#### 7.6 Public disclosure

- (a) The LME may publish the LME RFA for each Brand to which the Published LME RFA Track applies, subject to the restrictions set out in this Paragraph 7.6. The LME may make such publication on a publicly accessible website maintained by the LME.
- (b) Following the introduction into force of this Policy, the LME shall apply a graduated schedule for increasing the amount of detail published in respect of such LME RFAs. The following table summarises the schedule for making such LME RFAs public. However, the Producer may suggest redactions, subject to LME review, where the Producer considers it appropriate to do so (for example, where it considers such redactions to be necessary to preserve reasonable commercial confidentiality). The LME may also redact certain information at the LME's own initiative.

| Publication Date by the LME       | Reporting Period (ending on the relevant Date) | Details published of LME RFAs received in respect of the Reporting Period |
|-----------------------------------|--|---|
| Not earlier than 31 December 2022 | 2021 Reporting Period                          | Summary statistics  |
| Not earlier than 31 December 2023 | 2022 Reporting Period                          | Summary statistics  |





| Publication Date by the LME  | Reporting Period (ending on the relevant Date) | Details published of LME RFAs received in respect of the Reporting Period |
|--|--|---|
| Not earlier than 31 December 2024  | 2023 Reporting Period                          | Anonymised versions of per-Brand LME RFA                                  |
| Not earlier than 31 December 2025  | 2024 Reporting Period                          | Anonymised versions of per-Brand LME RFA                                  |
| Not earlier than 31 December 2026  | 2025 Reporting Period                          | Attributed versions of per-Brand LME RFA                                  |
| Not earlier than 31 December of the year following the year of the relevant Reporting Period | 2026 Reporting Period and onwards              | Attributed versions of per-Brand LME RFA                                  |

- (c) LME RFAs submitted pursuant to an application for the initial listing of a Brand (and hence not in accordance with the dates above) will be disclosed in a manner equivalent to those LME RFAs of the corresponding Reporting Period, as set out in the table above.

## 8 Track D: Secondary Materials Track

### 8.1 Eligibility for Secondary Materials Track

A Producer may only apply Secondary Materials Track to a Brand in the event that:

- (a) Brands are able to determine whether the Input Materials sourced are Secondary Materials or Primary Materials; and
- (b) the Input Materials used in production of that Brand during the Reporting Period have been sourced solely (i.e. 100%) from Secondary Material sources; and
- (c) the Producer does not wish to voluntarily use one of the other three Tracks.

For the avoidance of doubt, Input Materials will be considered “sourced” from the date their legal ownership is transferred to the Brand.

If any Primary Material is used in production of the Brand, the Brand becomes ineligible to use the Secondary Materials Track and Paragraphs 4 to 7 will apply for the Primary Material sourced.

### 8.2 Timings for submission of LME Secondary Materials Sourcing Attestation Form

The following timings apply in respect of any Brand to which the Secondary Materials Track applies.

(a) **Brands Listed as at 30 June 2022**

In respect of Brands that were listed as of 30 June 2022 that attested to 100% Secondary Materials sourcing, Producers of said Brands were required to submit the Secondary Materials Sourcing Attestation Form by 30 June 2022 (being also the date



when Producers must notify the LME of their nominated Track pursuant to Paragraph 4.3).

(b) **Initial Listing of Brands taking effect after 30 June 2022**

Any Producer applying for the listing of a Brand (where such listing is expected to take effect after 30 June 2022) must submit a Secondary Materials Sourcing Attestation Form as part of its application for listing. The LME Secondary Materials Sourcing Attestation Form should relate to (at the Producer's choice) either (i) the Reporting Period that ended in the most recent calendar year prior to the calendar year in which the date of the application falls, or (ii) the Reporting Period which ended in the calendar year in which the date of the application falls, provided that this Reporting Period ended prior to the date of the application. However, if (i) is elected, and such Reporting Period would have ended less than six months prior to the application date, then the Secondary Materials Sourcing Attestation Form may relate to the next preceding Reporting Period.

For the avoidance of doubt, the LME may delay or deny the granting of listed-Brand status until the LME is in receipt of a Secondary Materials Sourcing Attestation Form that has been completed to its satisfaction.

(c) **Brands Reclassified to the Secondary Material Track after 30 June 2022**

The Producer of a Brand that is reclassified as a Brand to which the Secondary Material Track shall be applied shall be required to provide a Secondary Materials Sourcing Attestation Form, compliant with the requirements of this Paragraph 8, on such date as the LME may, in its absolute discretion (and acting reasonably), specify.

(d) **On-Going Assessments**

The Producer of any Brand that is listed as of 30 June 2023, and/or on any subsequent 30 June, must (by 30 June of the year in question) submit an updated LME Secondary Materials Sourcing Attestation Form relating to the Reporting Period ending in the year preceding the year in question.

### 8.3 **Review and Determination by the LME**

Following receipt of a completed Secondary Materials Sourcing Attestation Form in respect of a Brand, the LME shall:

- (a) undertake a review of the Secondary Materials Sourcing Attestation Form; and
- (b) notify the Producer of its determination, including the LME's acceptance of the Secondary Materials Sourcing Attestation Form, requirements for additional information, or reclassification of the Brand.

### 8.4 **LME Requests for Information**

The LME may ask a Producer for further information, clarifications or explanations, in order to assist the LME to review the Producer's submission. In the event that a Producer does not comply with such requests, the LME may (in its discretion) reclassify the Brand to a different Track, launch an Own-Initiative Investigation (see Paragraph 13) and/or take any Brand Action in respect of such Brand.



## **8.5 Disagreement with the LME's Determination**

For the avoidance of doubt, in the event that a Producer disagrees with the LME's determination pursuant to Paragraph 8.3, such Producer may notify the LME in writing of such disagreement in accordance with Paragraph 2.4.

## **8.6 Public disclosure**

The Brand's name will be shown on an appropriate LME-hosted public site (i.e the LME website, LMEpassport or other location as the LME may choose) as the Producer of the Brand having self-attested to 100% Secondary Materials sourcing.

# **9 Recognition of Standards, Equivalent Certification Programmes, Alignment Assessors and Auditors**

## **9.1 Recognition of Standards**

Pursuant to the requirements of Paragraph 5, a Producer of a Brand or Standard Owner may apply to the LME for a Standard to become a Recognised Alignment-Assessed Standard.

## **9.2 Recognition of Equivalent Certification Programmes**

Pursuant to the requirements of Paragraph 3, a Producer of a Brand or Certification Programme Owner may apply to the LME for a Certification Programme to become an Equivalent Certification Programme.

## **9.3 Recognition of Alignment Assessors and Auditors**

An individual or company wishing to be recognised as:

- (a) a Recognised Alignment Assessor; or
- (b) a Recognised Auditor,

shall notify the LME, together with a summary of that individual or company's qualifications to undertake the role. Where necessary, the LME may seek such further information as it considers appropriate or necessary in order to assess such individual's or company's qualifications. The LME shall, in its absolute discretion (acting reasonably) determine whether such individual or company should become a Recognised Alignment Assessor or Recognised Auditor (as applicable).

## **9.4 Recognition at the LME's Discretion**

For the avoidance of doubt, the recognition of, or revocation of recognition of:

- (a) any Standard as a Recognised Alignment-Assessed Standard; or
- (b) any Certification Programme as an Equivalent Certification Programme; or
- (c) any individual or company as a Recognised Alignment Assessor; or
- (d) any individual or company as a Recognised Auditor,

shall be at the sole discretion of the LME.

## **9.5 Publication of Lists**

The LME shall publish lists of:



- (a) Recognised Alignment-Assessed Standards, subject to the agreement of the relevant Standard Owner; and
- (b) Equivalent Certification Programmes, subject to the agreement of the relevant Certification Programme Owner; and
- (c) Recognised Alignment Assessors; and
- (d) Recognised Auditors.

Such lists shall be published on the LME's website. The LME shall update such lists from time to time.

#### 9.6 Use of Standards and Certification Programmes Not on the LME's Published Lists

- (a) For the avoidance of doubt, a Recognised Alignment-Assessed Standard does not need to be published on the relevant list published pursuant to Paragraph 9.5, if the relevant Standard Owner does not wish such publication. In such a case, a Producer may utilise a Recognised Alignment-Assessed Standard for its own compliance with this Policy if:
  - (i) it is also the relevant Standard Owner; or
  - (ii) (otherwise) it is permitted by the relevant Standard Owner to do so, and is able to demonstrate to the LME on request that it has the relevant permissions.
- (b) For the avoidance of doubt, an Equivalent Certification Programme does not need to be published on the relevant list published pursuant to Paragraph 9.5, if the relevant Certification Programme Owner does not wish such publication. In such a case, a Producer may utilise the Equivalent Certification Programme for its own compliance with this Policy if:
  - (iii) it is also the relevant Certification Programme Owner; or
  - (iv) (otherwise) it is permitted by the relevant Certification Programme Owner to do so, and is able to demonstrate to the LME on request that it has the relevant permissions.

For the avoidance of doubt, the LME takes no responsibility for ensuring that a Producer has permission from the relevant Standard Owner or Certification Programme Owner to utilise a Recognised Alignment-Assessed Standard or Equivalent Certification Programme (as applicable), and accepts no liability to any party in the event that a Producer uses the same without having first obtained any required permission.

## 10 The LME's Powers to Take Brand Action

### 10.1 In the event that:

- (a) the LME determines that a Brand does not comply with this Policy; or
- (b) a Producer of a Brand fails to perform any of the actions, or take any of the steps, required of it pursuant to this Policy, including (without limitation) the completion of a requirement within any timescale specified in this Policy,

the LME may take any of the Brand Actions specified in Paragraph 10.2, in respect of the Brand, as the LME considers appropriate.

### 10.2 The LME may take one of more of the following Brand Actions:



- (a) the LME may publish a Notice specifying that it has determined that the Brand is not compliant with the requirements of this Policy and/or the relevant Standard;
- (b) the Brand may be suspended or de-listed for the purposes of Part 7 of the Rules;
- (c) the LME may suspend deliveries of Metal for that Brand onto warrant; and/or
- (d) the LME may suspend or permanently prohibit existing Warrants representing Metal for that Brand, so that such Warrants shall cease to be eligible to be validly used to settle any Contract under the Rules and may require that such Metal be removed from Warehouses.

10.3 Where the LME makes a determination pursuant to Paragraph 10.1 to apply any Brand Action under Paragraph 10.2, it may take such Brand Action from such date (which, for the avoidance of doubt, may be immediately), and at such period of notice as the LME may determine.

10.4 Where a Brand has been de-listed under this Paragraph 10, the Producer of such Brand may subsequently apply for re-listing of the Brand. Any such application must comply with the requirements of Part 7 of the Rules and this Policy, and must include sufficient explanations and evidence to satisfy the LME that, if re-listed, the Brand would not again be subject to a Brand Action.

10.5 The LME may, in its sole discretion and acting reasonably, choose to disapply any requirement (in general or in respect of any specific Brand, and with or without notification or notice to the market or any person affected by this Policy) where it considers this to be in the best interest of the Exchange or the market supported by the Exchange.

## 11 Information Sharing

Any Producer submitting any information to the LME pursuant to or in accordance with this Policy must do so on the understanding, and with the agreement that, the LME may:

- (a) use such information for the purposes of this Policy and/or the Rules; and/or
- (b) disclose such information to:
  - (i) an auditor:
    - (1) for the purpose of enabling such auditor to discharge an audit pursuant to Paragraph 5.3 (either as a Recognised Auditor or as an auditor appointed in respect of an External Standard) or Paragraph 6.2;
    - (2) for the purpose of enabling such auditor to perform an ISO / OHSAS Equivalence Assessment; or
    - (3) to assist the LME to investigate any aspect of any matter relating to the compliance of a Brand with the requirements under this Policy; and/or
  - (ii) a standards-setting, assessment or monitoring body with responsibilities in respect of any Standard (including, any Recognised Alignment Assessor); and/or
  - (iii) any other person with whom the LME may need to disclose such information to enable the LME to discharge any function or responsibility described for the LME in this Policy (including, without limitation, any professional advisers of the LME); and/or



- (c) disclose such information to any person to whom it may disclose information pursuant to Membership Regulation 21 (Confidentiality) of the Rules. (For the avoidance of doubt, this provision shall apply to determine the LME's rights to disclose information notwithstanding that such information may be confidential to a person who is not a party to the Rules.)

## 12 Notification of Grievances

- 12.1 Any person, whether a market participant or otherwise, having a concern as to the compliance of a Brand with the provisions of this Policy (a "**Grievance**") may submit their concerns to the LME. The LME shall determine whether and how to investigate any Grievance received pursuant to this Policy.

## 13 The LME's Own-Initiative Investigation

- 13.1 The LME may, on its own initiative, undertake an investigation, or make enquiries, to determine the compliance of a Brand with the provisions of this Policy (an "**Own-Initiative Investigation**"). The LME shall not be required to have reasonable grounds in order to exercise such powers.

## 14 Co-Operation with LME Investigations

- 14.1 Following a determination by the LME to investigate a Grievance or, upon the initiation of an Own-Initiative Investigation:
  - (a) the LME shall undertake such investigation, and make such enquiries, as it considers reasonable;
  - (b) the LME may request that the Producer of the Brand provide to the LME such information regarding the Brand as the LME considers appropriate to enable the LME to assess the merits of the Grievance or to progress the Own-Initiative Investigation (as applicable);
  - (c) where a Grievance or Own-Initiative Investigation concerns the accuracy of information provided in an LME RFA or Secondary Materials Sourcing Attestation Form, the LME may (without limitation) request that the Producer provide supporting evidence, or procure an independent audit (either on-site or otherwise) of the LME RFA or Secondary Materials Sourcing Attestation Form (subject to such conditions as the LME may reasonably prescribe);
  - (d) where a Grievance or Own-Initiative Investigation concerns the accuracy or sufficiency of a Standard Audit Report or Audit Report submitted in respect of a Brand, the LME may (without limitation) provide relevant information to the auditor and request that this be considered in the context of the audit;
  - (e) in respect of any Grievance or Own-Initiative Investigation, the LME may require any other reasonable action to be undertaken by the Producer and the Producer shall comply with any such request;
  - (f) where the LME:
    - (i) is satisfied that a Grievance is valid; or
    - (ii) determines that a Brand is not compliant with the requirements of this Policy (whether pursuant to an Own-Initiative Investigation or otherwise),



the LME may take Brand Action in respect of the Brand in accordance with Paragraph 10. For the avoidance of doubt, the LME's power to take Brand Action shall be determined by Paragraph 10 and nothing in this Paragraph 14 shall limit, or introduce any additional procedural conditions upon, the LME's ability to take Brand Action pursuant to Paragraph 10.

- 14.2 Where the LME makes an enquiry or request pursuant to Paragraph 6.6, Paragraph 7.4, Paragraph 8.4 or Paragraph 14.1 above, the Producer's costs of complying with such enquiry or request (including any costs of appointing any auditor) shall be borne by the Producer. In the event that a Producer does not wish to comply with any such request in respect of any of its Brands, and to bear the cost of such compliance accordingly, such Producer may apply to the LME to voluntarily de-list the affected Brand(s). For the avoidance of doubt, in the event that a Producer elects to apply for such voluntary de-listing, the LME may (where the LME considers it appropriate in the circumstances) take Brand Action in respect of the affected Brand(s).

## **15 Timetable**

The deadlines for specific actions required to be performed by Producers or other parties under this Policy shall be as set out in the relevant Paragraphs of this Policy.

## **16 Changes to Policy**

- 16.1 The LME reserves the right to modify or update the terms of this Policy at any time, for any reason, without seeking the prior consent of any Member, Producer or other person.
- 16.2 Subject to Paragraphs 16.3 and 16.4 below, the LME shall use reasonable endeavours to enter into dialogue with Producers of the LME-listed Brands in respect of any material change to the Policy that is likely to have a substantial impact on the operational burden imposed on Producers generally.
- 16.3 Any such dialogue shall offer such Producers or other parties a reasonable period, as determined by the LME, to review and comment on the proposed change. The LME shall take any comments received from Producers or other parties into account, but it shall be under no obligation to amend its proposed changes or to act in any way on the basis of the comments received from Producers or other parties. Any changes implemented, or not implemented, by the LME shall be at the absolute discretion of the LME.
- 16.4 The LME shall not be required to enter into dialogue with Producers or other parties, or otherwise consult, on any change to the Policy that:
- (a) does not fall within Paragraph 16.2 above;
  - (b) is required to comply with any direction given to the LME by any competent regulator of the LME, or any law enforcement authority;
  - (c) is required to comply with any change in applicable law or regulation in circumstances where there is, in the opinion of the LME, not sufficient time to conduct a consultation;
  - (d) is required to comply with any change in relevant OECD Guidance; and/or
  - (e) is a non-material administrative change,
- and any such changes shall be notified to Producers by a Notice issued by the LME.



- 16.5 Any change to the Policy shall come into effect upon the expiry of 30 days following the issue by the LME of notice of the proposed change or thereafter on such date prescribed by the LME in its absolute discretion. The LME may specify a shorter notice period than required pursuant to this Paragraph 16.5, where the LME considers that it is appropriate to do so, having regard to the interests of the LME, Producers and users of the Brands, and to the obligations of the LME to ensure continued compliance with applicable law and regulation.
- 16.6 For the avoidance of doubt, the LME shall not be required to consult on any issuance of, update to, or change to, any Guidance Note, the LME RFA Template, or the Secondary Materials Sourcing Attestation Form. Without prejudice to the foregoing, Guidance Notes shall be used to provide additional detail regarding requirements under, or matters described within, this Policy and are not intended to be used to specify substantive requirements additional to those set out in this Policy.





## 17 Glossary

| Term                                      | Definition   |
|---|--|
| <b>Application Date</b>                   | has the meaning set out in Paragraph 5.6(a);   |
| <b>Audited LME RFA Track</b>              | means the process and requirements specified in Paragraph 6;   |
| <b>Audit Report</b>                       | has the meaning set out in Paragraph 6.2;  |
| <b>Brand</b>                              | means a brand of Metal, associated with a particular Producer, that is listed, or submitted for listing, in accordance with Part 7 ( <i>Requirements for the Listing of Brands</i> ) of the Rules;   |
| <b>Brand Action</b>                       | means any action described under Paragraph 10.2;   |
| <b>Certification Programme</b>            | means a documented set of requirements which a Brand must satisfy in order to demonstrate at least equivalent protections as the ISO 14001 and OHSAS 18001 / ISO 45001 certifications;   |
| <b>Certification Programme Owner</b>      | means the entity or entities having the intellectual property or other ownership rights in respect of a Certification Programme;   |
| <b>Equivalent Certification Programme</b> | means a Certification Programme that has been demonstrated to the LME's satisfaction to be equivalent to, or an improvement upon, the ISO 14001 and OHSAS 18001 / ISO 45001 certifications;  |
| <b>External Standard</b>                  | means a Standard which is not an Internal Standard;  |
| <b>Grievance</b>                          | has the meaning set out in Paragraph 12.1;   |
| <b>Guidance Note</b>                      | means any guidance note published by the LME specifying how the requirements of this Policy may be implemented by Producers;   |
| <b>Input Materials</b>                    | means the feedstock (input) fed into a process for conversion into the Metal of a Brand, this can include Primary Materials or Secondary Materials. This includes Metals that are present in the final Metal produced by a Brand and excludes chemical or other additives that may be added during the production process (such as silicon, carbon anodes, caustic soda, or aluminium fluoride); |
| <b>Internal Standard</b>                  | means a Standard whose Standard Owner is the Producer, or an Affiliate of the Producer;  |



|  |   |
|--|---|
| <b>ISO / OHSAS Equivalence Assessment</b>                | means an independent audit report, produced by a reputable and appropriately experienced third party that is acceptable to the LME, which assesses and confirms that a certification programme is an Equivalent Certification Programme;  |
| <b>ISO 14001</b>   | means the international standard prescribed by the International Organisation for Standardization that specifies the framework requirements for an effective environmental management system;   |
| <b>ISO 45001</b>   | means the international standard prescribed by the International Organisation for Standardization that specifies the framework requirements to improve employee safety, reduce workplace risks and create better, safer working conditions, all over the world;                   |
| <b>LME Secondary Materials Sourcing Attestation Form</b> | means the template published by the LME, which must be used by Producers applying the Secondary Materials Track in respect of a given Brand;  |
| <b>LME RFA</b>   | means a completed LME RFA Template;   |
| <b>LME RFA Template</b>                                  | means the template published by the LME, which must be used by Producers applying the Audited LME RFA Track or the Published LME RFA Track to complete Red Flag Assessments in respect of a given Brand;  |
| <b>Metal</b>   | means any metal for which specifications are detailed in Part 6 (Special Contract Rules for Metals) of the Rules, but excluding any metal specified in Parts 6A, 6B, 6C or 6D of the Rules;   |
| <b>Non-Track A Brand</b>                                 | means a Brand which is not a Track A Brand;   |
| <b>Objecting Party</b>                                   | has the meaning set out in Paragraph 2.4;   |
| <b>OECD</b>  | means the Organisation for Economic Co-operation and Development;   |
| <b>OECD Alignment Assessment</b>                         | means the process by which a Standard is shown to be capable of demonstrating adherence to the OECD Guidance, pursuant to the methodology set out in the OECD Methodology and, for the purposes of this Policy, a Standard which has satisfied the requirements of Paragraph 5.2; |
| <b>OECD Guidance</b>                                     | means the guidance and requirements set out in the OECD document “ <i>OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition</i> ”, including, in  |



|                                     |   |
|-------------------------------------|---|
|                                     | the case of tin Brands, the “ <i>Supplement on Tin, Tantalum and Tungsten</i> ” of the OECD Guidance;   |
| <b>OECD Methodology</b>             | means the “ <i>Methodology for the Alignment Assessment of Industry Programmes with the OECD Minerals Guidance</i> ”;   |
| <b>OECD Red Flags</b>               | means the red flags in either (i) the “ <i>Supplement on Tin, Tantalum and Tungsten</i> ” of the OECD Guidance, or (ii) the “ <i>Supplement on Gold</i> ” of the OECD Guidance, with the choice of (i) or (ii) being for the Standard to elect. In either route, the LME expects that the definition of “conflict-affected and high-risk areas” will be as set out in the “ <i>Supplement on Gold</i> ” of the OECD Guidance, save that (1) for Standards which have been alignment assessed prior to the introduction of this Policy, the definition of “conflict-affected and high-risk areas” may be as set out in the main section of the OECD Guidance, and (2) the LME may, in its absolute discretion (acting reasonably), recognise lists of conflict-affected and high-risk areas published by third parties and notify such lists to the market by Notice, following which notification Brands may choose to apply such lists when assessing red flags; |
| <b>OECD Step 1</b>                  | means the relevant sections of the process described as step 1 (“establish strong company management systems”) in the OECD Guidance;  |
| <b>OECD Step 2a</b>                 | means the process described as step 2a (“identify risks in their supply chain as recommended in the Supplements”) in the OECD Guidance, which the LME expects shall be carried out by means of a Red Flag Assessment;   |
| <b>OECD Step 5</b>                  | means the process described as step 5 (“report annually on supply chain due diligence”) in the OECD Guidance, augmented as appropriate by any future requirements specified by the LME (whether pursuant to amendments to this Policy or otherwise);  |
| <b>OHSAS 18001</b>                  | is a British Standard framework for an occupational health and safety management system (officially known as BS OHSAS 18001). It has been superseded by ISO 45001 and all OHSAS 18001 certified organisations will need to have transitioned by March 2021 – and consequently, any reference in this Policy to OHSAS 18001 shall be read as ISO 45001 from the date of such transition;   |
| <b>Own-Initiative Investigation</b> | has the meaning set out in Paragraph 13.1;  |
| <b>Policy</b>                       | means this Policy on Responsible Sourcing of LME-Listed Brands;   |



|   |   |
|---|---|
| <b>Primary Materials</b>                            | means material which has never previously been refined;   |
| <b>Producer</b>                                     | means a producer, smelter or refiner of a Metal represented by a Brand;   |
| <b>Published LME RFA Track</b>                      | means the process and requirements specified in Paragraph 7;  |
| <b>Recognised Auditor</b>                           | means an individual, company, partnership or association recognised by the LME as being competent to undertake a Standard Audit Report in respect of the compliance of a Brand with any Internal Standard, and that may also produce Audit Reports for the purposes of this Policy;   |
| <b>Recognised Alignment-Assessed Standard Track</b> | means the process and requirements specified in Paragraph 5;  |
| <b>Recognised Alignment Assessor</b>                | means an individual or company recognised by the LME as being competent to undertake an OECD Alignment Assessment;  |
| <b>Recognised Alignment-Assessed Standard</b>       | means a Standard which has, in the opinion of the LME, successfully undergone OECD Alignment Assessment by a Recognised Alignment Assessor;   |
| <b>Red Flag Assessment</b>                          | means an assessment, undertaken by a Producer in respect of its Brand, in order to identify whether that Brand triggers any of the OECD Red Flags;  |
| <b>Reporting Period</b>                             | <p>means an annual period ending on the Reporting Period End Day of a given calendar year.</p> <p>So, for example, if the Reporting Period End Day is 31 March, then the “2025 Reporting Period” shall be the period from 1 April 2024 through 31 March 2025. If the Reporting Period End Day is 31 December, then the “2025 Reporting Period”, shall be the period from 1 January 2025 through 31 December 2025</p> <p>However, in all cases, the 2021 Reporting Period shall start on 1 January 2021. So, if the Reporting Period End Day is 31 March, then the “2021 Reporting Period” shall be the period from 1 January 2021 to 31 March 2021. If the Reporting Period End Day is 31 December, then the “2021 Reporting Period” shall be the period from 1 January 2021 to 31 December 2021;</p> |
| <b>Reporting Period End Day</b>                     | means, in respect of a Brand, a specific calendar day (e.g. 31 December), chosen by the Producer in respect of such Brand;  |
| <b>Rules</b>  | has the meaning set out in Paragraph 1.3;   |



|                                  |   |
|----------------------------------|---|
| <b>Secondary Materials</b>       | <p>means the reclaimed end-user products (post-consumer) or scrap processed metals (pre-consumer):</p> <ul style="list-style-type: none"> <li>Reclaimed end-user or post-consumer products is material containing metal that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or commercial, industrial and institutional facilities as end-users of the product which can no longer be used for its intended purpose. For the avoidance of doubt, reshaping or rebranding of metal from other smelters, refiners, traders or warehouses cannot be included in this category.</li> <li>Scrap processed metal (pre-consumer scrap) is material created during product manufacturing which are returned to a smelter or refiner or re-melter.</li> </ul> <p>Secondary Materials include obsolete, defective, and scrap materials which contain refined or processed metals that are appropriate to recycle in the production of aluminium, copper, lead, nickel, cobalt, tin and zinc. For the avoidance of doubt, materials partially processed, unprocessed, or a by-product from another ore are not Secondary Materials;</p> |
| <b>Secondary Materials Track</b> | means the process and requirements specified in Paragraph 8;  |
| <b>Standard</b>                  | means a documented set of requirements which a Brand must meet, together with an auditing or assurance procedure, in order to demonstrate adherence to the OECD Guidance;   |
| <b>Standard Audit Report</b>     | means an audit or suitable assurance report demonstrating that a Brand complies with a relevant Standard;   |
| <b>Standard Owner</b>            | means the entity or entities having the intellectual property or other ownership rights in respect of a Standard;   |
| <b>Track</b>                     | means any of: <ul style="list-style-type: none"> <li>(a) the Recognised Alignment-Assessed Standard Track;</li> <li>(b) the Audited LME RFA Track;</li> <li>(c) the Published LME RFA Track; or</li> <li>(d) the Secondary Materials Track</li> </ul>   |
| <b>Track A Brand</b>             | means a Brand to which the Recognised Alignment-Assessed Standard Track either: (i) must be applied in accordance with Paragraph 4.2(a); or (ii) has been electively applied by the Producer of the Brand, in accordance with Paragraph 4.2(b) or 4.4(b).   |