

LME Sustainability 2023 update



SETTING THE GLOBAL STANDARD

The London Metal Exchange's (LME) sustainability story has continued to progress steadily over the past 12 months with a host of important developments across the breadth of the environmental, social and governance spectrum. We have launched updates to LMEpassport, delivered against our commitment to greater transparency, worked with producers and third-party partners to meet responsible sourcing deadlines and collaborated with two charities in Zambia and the DRC to deliver responsible sourcing projects.

LMEpassport

Key statistics

466

individual data disclosures
on LMEpassport

286

environmental
disclosures
on LMEpassport

219

LME brands sharing ESG
achievements on LMEpassport; this is
50% of the LME brands list

54

certifications and metrics listed in
the LME taxonomy

LMEpassport is our digital, centralised platform for producers of LME-listed metals to disclose their sustainability credentials, facilitating transparency of key progress in important target areas. The platform also acts as a digital store of electronic Certificates of Analysis for metal physically delivered into and out of the LME ecosystem, replacing the current paper-based model.

Environmental

- Progress continues in the standardisation of carbon accounting methodologies for metals. Cobalt joins the carbon methodologies available for zinc, nickel and aluminium on LMEpassport
- LMEpassport also offers new environmental certifications including ratings for the CDP Climate Change and CDP Water Security questionnaires
- LME-listed brand producers submitting ISO 14001 certificates before the 31 December 2023 deadline can do so on LMEpassport, joining 87 brand producers already disclosing this information on the system



Social

- Producers meeting LME responsible sourcing requirements can disclose a broad range of achievements on LMEpassport; 74 brand producers already disclose their ISO 45001 certificates (due by 31 December 2023); all LME-approved third-party (Track A) standards are available, and all producers using Track B (audited LME Red Flag Assessment (RFA)) or Track D (secondary materials) now have a corresponding disclosure on LMEpassport
- A new social certification is now available on LMEpassport: SA 8000 is a standard focusing on improving social accountability in the workplace



Governance

- We have added the Extractive Industries Transparency Initiative (EITI) to LMEpassport. Companies in EITI implementing countries annually report their taxes and payments to governments in line with the EITI Standard. In doing so, they provide data that can help identify and close channels for corruption.



Multi-dimensional

- We have launched new producer profiles – a one-stop-shop to view each LME producer, their brands, smelters, sustainability credentials, annual reports and also their targets, goals and commitments. This most recent enhancement to producer profiles allows producers to showcase their sustainability targets in areas such as waste, diversity, water footprint and energy consumption, and enables progression tracking.
- We have also introduced a “side-by-side” tab that allows users to view multiple producers’ sustainability information at the brand and entity level, enabling comparison of up to five producers simultaneously
- New certifications and standards in this category include the Global Reporting Initiative, London Bullion Market Association Gold Guidance, the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains and the sustainability ratings agency medals from EcoVadis



Responsible sourcing

Key statistics

100%

submissions against the Track C deadline in 2023, up from 96% in 2022

4%

of brands that submitted RFAs were suspected or delisted

9

approved Track A standards

31

31 December 2023 – marking the final deadline in the first cycle for LME brand producers

LME responsible sourcing requires the producers of LME-listed brands to deliver against the OECD Due Diligence Guidance; ISO 14001 certification for environmental management systems; and ISO 45001 certification for occupational health and safety management systems, on an ongoing basis.

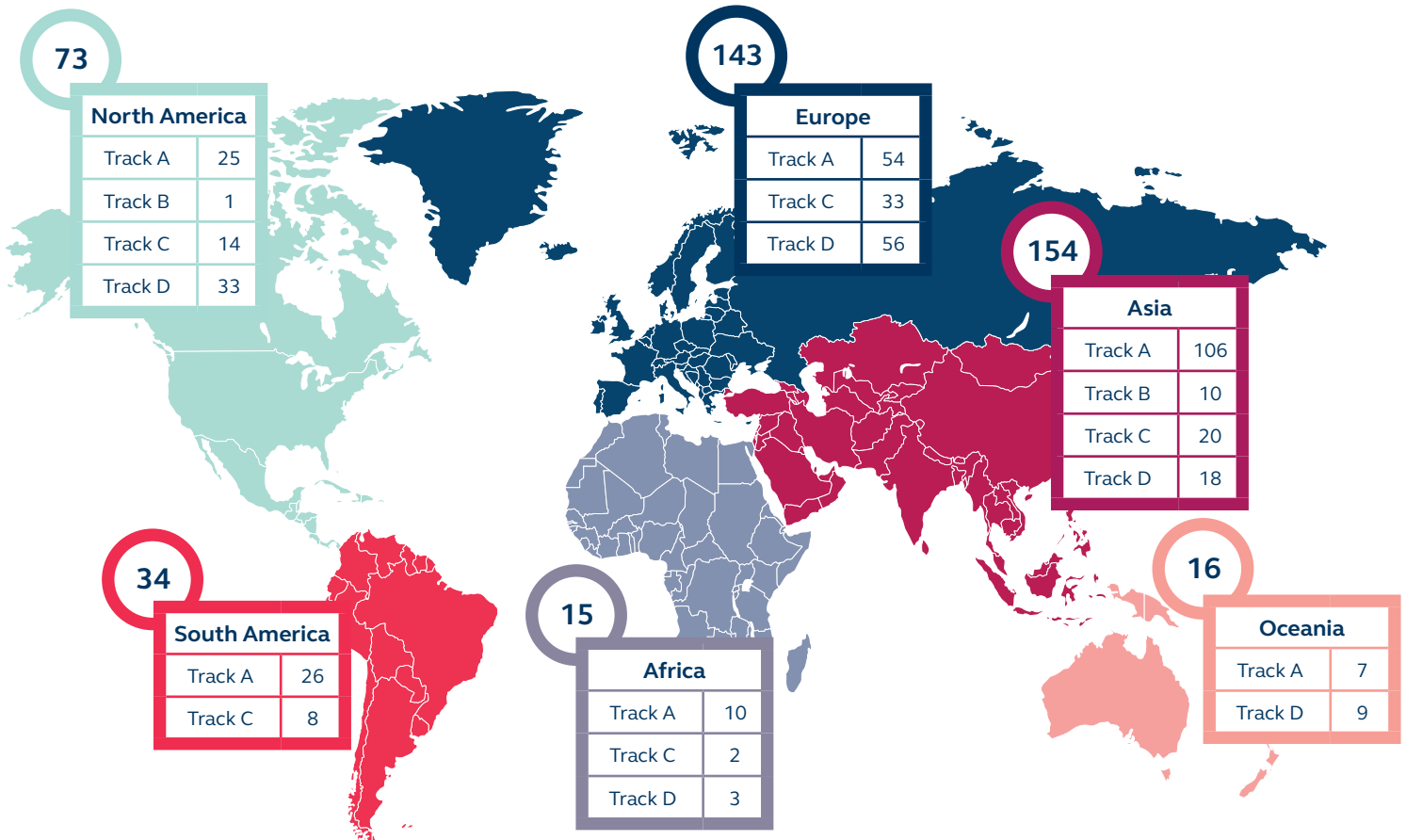
2023 progress includes:

- Continued embedding of responsible sourcing in the metals industry. 30 June 2023 was the second annual responsible sourcing deadline, with 100% of relevant producers submitting compliance information, further establishing responsible sourcing processes and procedures in global supply chains. The LME has seen material improvements in reporting detail and overall understanding of the requirements
- Publishing responsible sourcing summary statistics in March 2023 as part of the LME's commitment to transparency. Public disclosure of RFA information aims to bring accountability to producers' supply chain due diligence practices. This is part of a phased delivery of greater transparency of all Track C compliance submissions; the LME publishes summary statistics for the first two years, with anonymised versions to be published in 2024 and 2025, moving to full RFA publication from 2026 onwards
- New additions to the approved Track A standards list including the Aluminium Stewardship Initiative Performance Standard version 3, the Cobalt Refiner Supply Chain Due Diligence Standard, RMI Global Responsible Sourcing Due Diligence Standard for Mineral Supply Chains All Minerals, the London Bullion Market Association Responsible Gold Guidance (version 9), the Chinese Due Diligence Guidelines for Mineral Supply Chains (Second Edition)

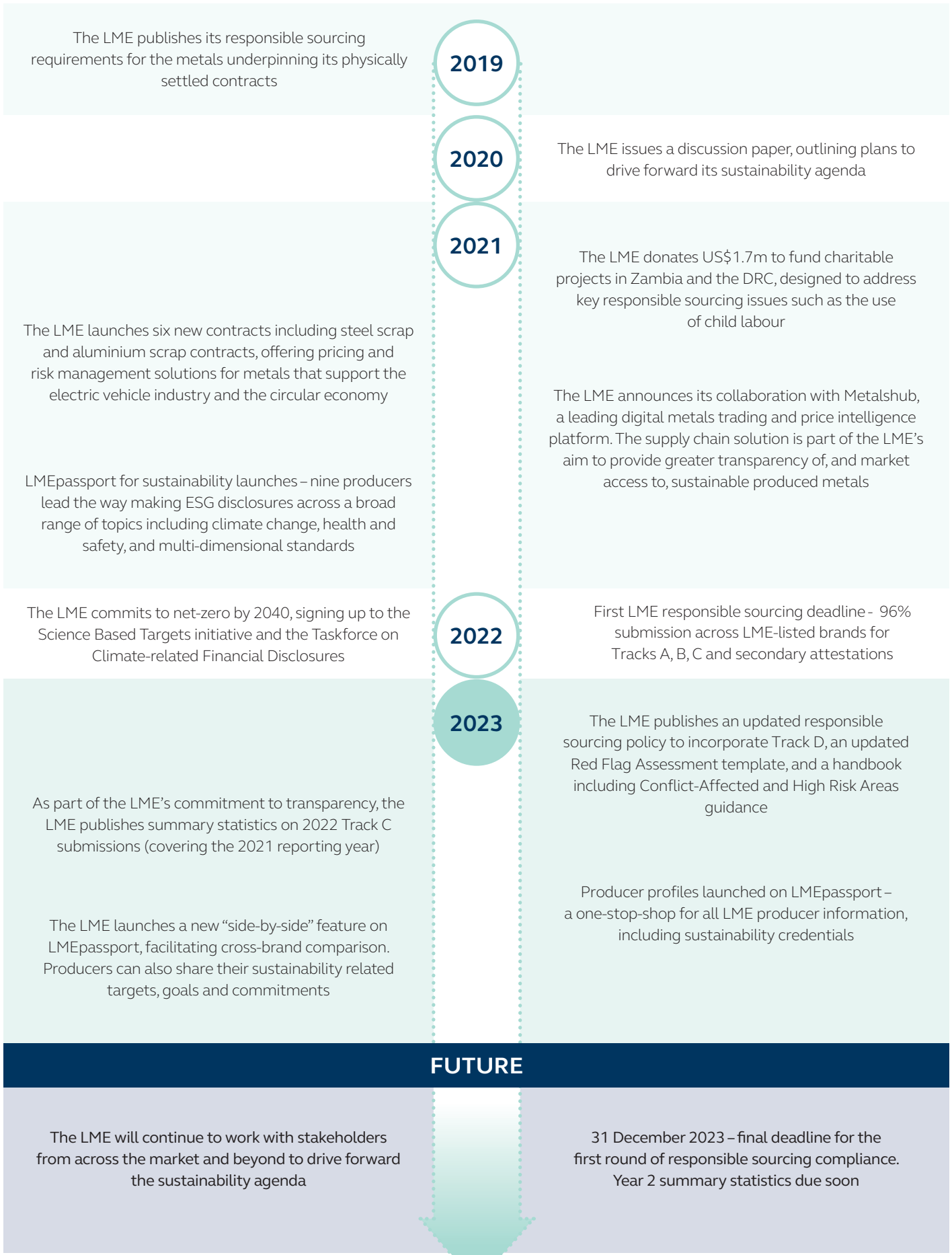
31
DECEMBER 2023
STANDARD AUDIT REPORTS DUE FOR TRACK A

31
DECEMBER 2023
ISO 14001 AND ISO 45001 CERTIFICATES DUE (ALL LME-LISTED BRANDS)

1
YEAR FROM ORIGINAL SUBMISSION
ANNUAL SUBMISSIONS FOR TRACK D



Timeline



Contact details

Sustainability

For more information about sustainability at the LME, you can visit our website at lme.com/sustainability

If you have any questions please get in touch with our team by email at sustainability@LME.com.

We have a sustainability email distribution list, which ensures you will receive the latest sustainability news from our Spotlight newsletter and other important updates. Please email the team to be added to the list.

Responsible sourcing

For more information about our responsible sourcing requirements, visit our website at lme.com/responsiblesourcing or email the team at responsiblesourcing@LME.com.

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