

To: All Members and other interested parties

Ref: 22/282

Classification: Brands

Date: 08 December 2022

Subject: **REQUEST FOR FEEDBACK ON PROPOSED AMENDMENTS TO THE LME RESPONSIBLE SOURCING POLICY**

## Summary

1. The London Metal Exchange (“LME”) is requesting feedback to proposed minor amendments to the LME Policy on Responsible Sourcing of LME-Listed Brands (“the Policy”) and associated compliance documents, including the Red Flag Assessment Template and Secondary Materials Sourcing Attestation Form.

## Background

2. The LME published the Policy in October 2019 (notice 19/130), and 2022 represents the first reporting year against the Policy. After reviewing the first year of compliance submissions, the LME is now proposing to incorporate minor amendments to the Policy and the associated compliance documents, including the Red Flag Assessment Template and Secondary Materials Sourcing Attestation Form.
3. These amendments do not represent a material change to the Policy, but are designed to: (i) better reflect how the LME processes compliance submissions; (ii) provide additional clarity where required; and (iii) improve the ease of reporting for Producers of LME-listed Brands.
4. Capitalised terms not defined herein have the meaning ascribed to them in the Policy.

## Proposed amendments

5. The context and explanations for the proposed amendments are included in the relevant documents contained in Appendices B-H. Where appropriate, both redline and clean versions are attached, with feedback questions included in the redline versions. Where a redline version is not feasible due to extensive formatting changes (the Red Flag Assessment Template and the Secondary Materials Sourcing Attestation Form), the original and a revised version are both attached, with the feedback questions included in the revised version. Finally, the Red Flag Assessment Workbook (Appendix F) is a new document, so no redline or revised version is provided.



6. Appendix A sets out a complete list of questions on which the LME requests specific feedback. Additional responses / comments not in relation to these questions are also welcome.
7. In summary, however, the key changes for each document are as follows:
  - i. LME Policy on Responsible Sourcing of LME-Listed Brands
    - (a) The inclusion of Secondary Materials as Track D
    - (b) Clarification that the LME understands the possibility of exceptional cases where a Red Flag could be raised, but subsequently mitigated, and the procedure for reporting such cases
    - (c) Clarification of the timing period for Brands reclassified as Track A Brands subsequent to 30 June 2022
    - (d) Term definitions for “Input Materials”, “Primary Materials”, and “Secondary Materials”
  - ii. LME Red Flag Assessment Template
    - (a) Updates to Brand Information to clarify the contact information requested from the Producer
    - (b) Breakdown of question 2 on Company Management Systems to provide a distinct space for Producers to answer the sub-questions
    - (c) Separation of questions 3 and 4 (country-related questions) into a workbook (attached as Appendix F) to improve ease of reporting
    - (d) Clarification of expectations on grievance mechanisms, Extractive Industries Transparency Initiative-related requirements, Conflict-Affected and High-Risk Areas determination methodology, and interpretations of Supplier Red Flags to provide clarity and improve consistency
  - iii. LME Secondary Materials Sourcing Attestation Form
    - (a) Updates to Brand Information to clarify the contact information requested from the Producer and require a Reporting Period to be stated
    - (b) Re-framing of questions to reduce redundancy
    - (c) Requirement for one signature only rather than two

### **Feedback process**

8. While the LME is not required to consult on these changes in line with the Policy (previously Clause 15, but Clause 16 in the redline and clean versions attached at Appendices B and C respectively), and notes the relatively minor set of revisions proposed herein, it remains the LME’s preference to seek feedback where possible.
9. As such, the LME would welcome the feedback of its market on the proposed amendments and in particular, Producers of LME-listed Brands and LME approved



partners (see <https://www.lme.com/en/About/Responsibility/Responsible-sourcing/Approved-partners>) involved in the LME responsible sourcing programme. The LME would also welcome feedback on other aspects of the LME responsible sourcing programme at this time.

10. For the avoidance of doubt, the proposed changes do not require any amendment to the LME Rulebook.
11. Market participants are asked to submit feedback to the LME Responsible Sourcing team at [responsiblesourcing@lme.com](mailto:responsiblesourcing@lme.com). The LME requests that feedback is provided before 18:00 GMT on 16 January 2022.
12. Although the LME will consider responses submitted in any format, it would be helpful if respondents could reply to the numbered questions set out in Appendix A.
13. Any market participant wishing to ask questions or to seek clarification on any aspect of the attached papers, or to arrange a meeting, is asked to contact [responsiblesourcing@lme.com](mailto:responsiblesourcing@lme.com).
14. The LME will communicate any changes and timeline publically to the market following the feedback period. In line with the Policy (previously Clause 15.5, but Clause 16.5 in the redline and clean versions attached at Appendices B and C), the LME will provide no less than 30 days' notice before any changes come into effect.

**Nicole Hanson**  
**Responsible Sourcing Manager**

cc: Board directors  
All committees

### **Appendices**

- A. Request for feedback – list of questions
- B. LME Policy on Responsible Sourcing of LME-Listed Brands – redline 8-Dec-22
- C. LME Policy on Responsible Sourcing of LME-Listed Brands – clean
- D. LME Red Flag Assessment Template – original
- E. LME Red Flag Assessment Template – revised, with request for feedback questions
- F. Red Flag Assessment Workbook 8-Dec-22
- G. LME Secondary Materials Sourcing Attestation Form – original
- H. LME Secondary Materials Sourcing Attestation Form – revised, with request for feedback questions

Relevant document	Location within document	Context & question	Response	Organisation name
B. LME Policy on Responsible Sourcing of LME-Listed Brands – redline 8-Dec-22	Paragraph 4.1	<p>Context:</p> <p>The OECD Guidance specifies that it does not apply to recycled materials for Metal relevant to the Policy and as such, the LME does not require Brands using 100% recycled material to comply with the OECD Guidance portion of the Policy. However, details around the operation of this exception were not originally included in the Policy itself and detailed under separate cover. To provide greater clarity, the LME is proposing to add the Secondary Materials Track to the Policy to ensure full understanding of all routes to compliance. This is detailed in Paragraph 8.</p> <p>Question:</p> <p>1) Do you believe the LME should incorporate Secondary Materials as a formal Track to compliance with the Policy (i.e. Track D)? If not, please detail why you disagree with this proposed change.</p>		
B. LME Policy on Responsible Sourcing of LME-Listed Brands – redline 8-Dec-22	Paragraph 4.2	<p>Context:</p> <p>There is some subjectivity involved in the identification of an OECD Red Flag. There may be circumstances where a potential Red Flag is raised by a Producer, but considered mitigated or lowered under the specific circumstances involved. The addition of the sentences here is intended to make it clear that the LME does allow Producers to explain exceptional circumstances where they raise a potential Red Flag and then demonstrate that this is lowered. The LME allows these types of explanations and they are accompanied by the public disclosure of elements outlined in Paragraphs 6.7 (For Track B) and 7.6 (for Track A).</p> <p>Question:</p> <p>2) Do you believe the addition clarifies that the Producer is able to explain circumstances where a potential OECD Red Flag is addressed and that this is an appropriate interpretation of the OECD Guidance?</p>		
B. LME Policy on Responsible Sourcing of LME-Listed Brands – redline 8-Dec-22	Paragraph 5.7	<p>Context:</p> <p>The original Policy did not provide any indicative timings for documentation that must be submitted to the LME for Brands that are reclassified to Track A.</p> <p>Question:</p> <p>3) Do you believe the timings provided here are realistic for Producers and sufficiently expeditious to maintain the credibility of the programme?</p>		
B. LME Policy on Responsible Sourcing of LME-Listed Brands – redline 8-Dec-24	Paragraph 8	<p>Question:</p> <p>4) The text shown in Paragraph 8 incorporates the Secondary Materials Track into the Policy as referenced in Paragraph 4.1. Do you agree the provisions in Paragraph 8 maintain the existing LME requirements properly?</p>		
B. LME Policy on Responsible Sourcing of LME-Listed Brands – redline 8-Dec-22	Glossary	<p>Question:</p> <p>5) Do you believe the glossary term definitions for "Primary Material", "Input Material", and "Secondary Material" are appropriate and explain the differences sufficiently between these material types? If not, please provide suggestions on how these terms should be explained.</p>		
E. LME Red Flag Assessment Template – revised, with request for feedback questions	Introduction	<p>In reviewing the RFAs from the first year of implementation, the LME received comments regarding formatting and ease of submission. The LME has addressed a few of these as noted below:</p> <ul style="list-style-type: none"> <li>The LME has taken the many sub-questions from the original Question 2 and broken them out into stand-alone questions.</li> <li>The LME has moved the country-related data into a separate worksheet in a tabular format to improve consistency of responses, clarity of expectations, and ease of response.</li> <li>The LME has added references to the OECD Guidance page numbers so that Producers may easily refer back to the original document.</li> </ul> <p>6) Are there other formatting changes you would suggest to make the RFA easier for Producers to complete?</p>		
E. LME Red Flag Assessment Template – revised, with request for feedback questions	Section 2	<p>Context:</p> <p>The original Red Flag Assessment template did not explicitly request the demonstration of implementation of a grievance mechanism, but as this is part of Step 1 of the OECD Guidance, the LME is now providing clarification of the requirement.</p> <p>Question:</p> <p>7) Do you believe it is appropriate for the LME to clarify the expectation of a grievance mechanism (either independent or as part of an industry programme) as expected by the OECD Guidance?</p>		
E. LME Red Flag Assessment Template – revised, with request for feedback questions	Section 2	<p>Context:</p> <p>The definition of a CAHRA is provided in the OECD Guidance, and specified by the Policy. The LME does not dictate a specific methodology for identifying CAHRAs and leaves this determination up to the Producer (albeit, as noted in the Policy, the LME did anticipate that some Producers may wish to use CAHRA lists provided by third parties, should those prove appropriate). However, as this is a key point in the Red Flag Assessment, the LME does believe the process the Producer uses to determine CAHRAs needs to be disclosed to build trust in the Track C process. In year one, the LME made these requests bilaterally to Producers should the information not be provided in the original submission; however, the LME is now proposing to clarify this requirement by including it in this revised template. Once Producers have provided their CAHRA methodology to the LME in the RFA, this information would be expected to be included in the public disclosure of the RFAs as well, in line with the transparency timeline (including phased introduction) provided by the LME in the Policy.</p> <p>Question:</p> <p>8) Do you consider these changes appropriate? Why or why not?</p>		
E. LME Red Flag Assessment Template – revised, with request for feedback questions	Section 3	<p>The original RFA required Producers to include an assessment of the EITI status of countries from which they source materials and through which they transit those materials. As EITI is only available for the mining phase of production, asking about implementation of EITI at the transit phase of the supply chain caused confusion. The revised version only asks Producers to look for EITI implementation for supplier sources of material.</p> <p>In addition, the original RFA included the point that if a supplier is not shown to be implementing EITI principles, this raises a Red Flag and following the LME's Policy, would require a switch to Track A by the Producer. Upon review of the OECD Guidance, and recognising that implementing Track A for the Producer will not necessarily prompt the relevant supplier to provide EITI reporting, the LME is removing the question that identified a lack of EITI implementation at a supplier's site to be a Red Flag.</p> <p>Finally, the LME is removing the requirement for Producers to look for EITI implementation for the Relevant Companies identified in Section 4, as many of these locations will not be mine sites and the leverage Producers have with these Relevant Companies is much less than their direct suppliers.</p> <p>9) Regarding EITI expectations, do you believe it is appropriate for the LME to (1) change the EITI disclosure requirements to specify that they are only for countries where minerals are sourced, not transit countries and (2) remove the assumption that suppliers lacking EITI disclosures raise an OECD Red Flag?</p>		
E. LME Red Flag Assessment Template – revised, with request for feedback questions	Section 4	<p>Context:</p> <p>In reviewing the RFAs from the first year of implementation, the LME noted different interpretations of the Supplier Red Flags. The LME has made the modifications shown above to clarify expectations and increase consistency between Producer RFAs. This is to support fair treatment of all Producers.</p> <p>Question:</p> <p>10) Do you believe the changes to Section 4, Supplier Red Flags provide clarity to Producers on the expectations of them and clarify for when Supplier Red Flags are raised? If not, please provide other interpretations of the OECD Guidance Supplier Red Flags and explain why that interpretation is more appropriate in the circumstances.</p>		
F. Red Flag Assessment Workbook 8-Dec-22	Entire document	<p>Question:</p> <p>11) Do you agree with the LME that the addition of a separate, tabular workbook to the Red Flag Assessment Template will improve ease and consistency of reporting? If you do not agree and prefer that the LME does not make this change, please provide your reasoning.</p>		
H. LME Secondary Materials Sourcing Attestation Form – revised, with request for feedback questions	Section 1	<p>Context:</p> <p>The attestation form did not previously require a Reporting Period to be stated. This has been modified so that Brands, the LME, and potential users of the data about these Brands can be confident in the dates from when the Brand assures that they only sourced 100% recycled material.</p> <p>Question:</p> <p>12) Do you believe this change is appropriate?</p>		
H. LME Secondary Materials Sourcing Attestation Form – revised, with request for feedback questions	Section 3	<p>Context:</p> <p>With the addition of the Secondary Materials Track formally into the Policy, many of the definitions and expectations have been removed from the attestation form and are now in the Policy itself. Based on the responses from the first year, the LME was also able to condense the three questions from the original attestation form into two questions, and has reduced the number of signatures required from one to two to simplify the process for Producers. In addition, the following paragraph was deleted:</p> <p><i>Upon the provision of at least thirty (30) days' written notice (but without notice in the case of a breach or suspected breach of the instructions of this attestation form), the Brand shall permit the LME and/or its advisors and/or any independent professional auditors acting on behalf of the LME to gain access (both physical and remote) and inspect during normal business hours the systems, controls, books, records and/or other documents as may be required. Additionally, to inspect the Brand's sourcing data and, where appropriate, that of its affiliates, and any other information held by the Brand or its affiliates for the purposes of auditing the Brand's compliance with this attestation form. The LME shall ensure that its advisors and/or its auditors treat all information obtained from a Brand during the course of any audit as confidential information.</i></p> <p>However, it should be noted that the LME still retains this power as part of Paragraph 14 of the Policy itself.</p> <p>Question:</p> <p>13) Do you believe these changes still hold Producers to the appropriate level of accountability when it comes to identifying their material as 100% secondary?</p>		



# LME Policy on Responsible Sourcing of LME-Listed Brands

Revision date: December 2022

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# 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 98);
  - (i) the action that the LME may take in respect of any Brand that is not compliant with any requirement of this Policy (Paragraph 109);
  - (j) the basis on which the LME may use or disclose information obtained from Producers pursuant to the arrangements described in this Policy (Paragraph 114);
  - (k) the ability of persons to raise responsible sourcing related grievances in respect of any listed Brand (Paragraph 142);
  - (l) the LME's own-initiative powers to conduct investigations into a Brand's compliance with this Policy (Paragraph 123);
  - (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 134);
  - (n) confirmation of the timeline for the actions to be taken under this Policy (Paragraph 145);
  - (o) how this Policy may be changed from time to time (Paragraph 165); and
  - (p) a glossary of defined terms used in this Policy (Paragraph 167).



- 1.3 Terms which are used in this Policy are defined in Paragraph 176 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*), ~~or~~ 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 9~~ 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 8~~[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 8~~[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 (b)

(a)(b) the Brand must satisfy OECD Step 1;

(b)(c) the Brand must satisfy OECD Step 2a;

(c)(d) upon the completion of OECD Step 2a, the Producer must elect to apply one of the following Tracks A, B or C from the following tables:

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
<u>D</u>	<u>Secondary Materials Track</u>	<u>Paragraph 8</u>

**Context:**

The OECD Guidance specifies that it does not apply to recycled materials for Metal relevant to the Policy and as such, the LME does not require Brands using 100% recycled material to comply with the OECD Guidance portion of the Policy. However, details around the operation of this exception were not originally included in the Policy itself and detailed under separate cover. To provide greater clarity, the LME is proposing to add the Secondary Materials Track to the Policy to ensure full understanding of all routes to compliance. This is detailed in Paragraph 8.

**Question:**

1) Do you believe the LME should incorporate Secondary Materials as a formal Track to compliance with the Policy (i.e. Track D)? If not, please detail why you disagree with this proposed change.

#### 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.

The LME is aware that there may be some peripheral cases where an OECD Red Flag is considered to have been addressed by the Producer in some way and no longer remains as an OECD Red Flag. To encourage full transparency and for practicality, 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.



**Context:**

There is some subjectivity involved in the identification of an OECD Red Flag. There may be circumstances where a potential Red Flag is raised by a Producer, but considered mitigated or lowered under the specific circumstances involved. The addition of the sentences here is intended to make it clear that the LME does allow Producers to explain exceptional circumstances where they raise a potential Red Flag and then demonstrate that this is lowered. The LME allows these types of explanations and they are accompanied by the public disclosure of RFAs outlined in paragraphs 6.7 and 7.6.

**Question:**

2) Do you believe the addition clarifies that the Producer is able to explain circumstances where a potential OECD Red Flag is addressed and that this is an appropriate interpretation of the OECD Guidance?

#### **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, including by changing:

- (a) from the Recognised Alignment-Assessed Standard Track to either (i) the Audited LME RFA Track or (ii) the Published LME RFA Track; or
- (b) from the Audited LME RFA Track or Published LME RFA Track (as applicable) to the Recognised Alignment-Assessed Standard Track; or
- (c) from the Audited LME RFA Track to the Published LME RFA Track; ~~or~~
- ~~(d)~~ (d) from the Published LME RFA Track to the Audited LME RFA Track; ~~or~~;
- ~~(d)~~ (e) from the Secondary Materials Track to the Audited LME RFA Track, Published LME RFA Track or Recognised Alignment-Assessed Standard Track (as applicable),

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 8~~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 8~~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 8~~[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 8~~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

Calculated from the day the Producer of a Brand is notified by the LME of the reclassification, the Producer must notify the LME within three months of its chosen standard and submit the Standard Audit Report within one year of being notified by the LME of the reclassification. 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.

**Context:**

The original Policy did not provide any indicative timings for documentation that must be submitted to the LME for Brands that are reclassified to Track A.

**Question:**

3) Do you believe the timings provided here are realistic for Producers and sufficiently expeditious to maintain the credibility of the programme?

## 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, -LME may redact certain information where the LME-Producer considers it appropriate to do so (for example, where it considers such redactions to be necessary to preserve reasonable commercial confidentiality, ~~either in response to a request from the Producer or at the LME's own initiative~~). The LME may also redact certain information at the LME's own initiative.



Context:

The original Policy suggested the LME would provide the redactions to the RFAs. This version clarifies that the Producer will propose the redactions to be applied, subject to LME approval, while still allowing the LME to make additional redactions it considers necessary.

Question:

4) Do you believe this revision is appropriate?

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
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 the origin of Input Materials sourced; 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.

Question:

4) The text shown in Paragraph 8 incorporates the Secondary Materials Track into the Policy as referenced in Paragraph 4.1. Do you agree the provisions in Paragraph 8 maintain the existing LME requirements properly?

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

### **8.49.1 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.

### **8.29.2 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.

### **8.39.3 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).

#### **8-49.4 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.

#### **8-59.5 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.

#### **8-69.6 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 8~~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 8~~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.

## **910 The LME's Powers to Take Brand Action**

**9-10.1** 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 9~~[Paragraph 10.2](#), in respect of the Brand, as the LME considers appropriate.

**9-210.2** 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.

**9-310.3** Where the LME makes a determination pursuant to ~~Paragraph 9~~[Paragraph 10.1](#) to apply any Brand Action under ~~Paragraph 9~~[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.

**9-410.4** Where a Brand has been de-listed under this ~~Paragraph 9~~[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.

**9-510.5** 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.

## **1011 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.)

## **1412 Notification of Grievances**

**14.12.1** 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.

## **1413 The LME's Own-Initiative Investigation**

**14.13.1** 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.

## **1414 Co-Operation with LME Investigations**

**14.14.1** 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 9Paragraph 10. For the avoidance of doubt, the LME's power to take Brand Action shall be determined by Paragraph 9Paragraph 10 and nothing in this Paragraph ~~134~~ shall limit, or introduce any additional procedural conditions upon, the LME's ability to take Brand Action pursuant to Paragraph 9Paragraph 10.

~~13.2~~14.2 Where the LME makes an enquiry or request pursuant to Paragraph 6.6, Paragraph 7.4, Paragraph 8.4 or Paragraph ~~134~~.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).

## 1415 **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.

## 1516 **Changes to Policy**

~~15.4~~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.



~~45.2~~16.2 Subject to Paragraphs ~~165~~156.3 and ~~156~~156.4 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.

~~45.3~~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.

~~45.4~~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 ~~156~~156.2 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.

~~45.5~~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 ~~156~~156.5, 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.

~~45.6~~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, ~~or 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.



## 1617 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 <del>109</del> .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 <del>Paragraph 11</del> 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><u>Input Materials</u></b>	<u>means the feedstock (input) fed into a process for conversion into the Metal of a Brand. This includes metals or materials 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;</u>
<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><u>LME Secondary Materials Sourcing Attestation Form</u></b>	<u>means the template published by the LME, which must be used by Producers applying the Secondary Materials Track in respect of a given Brand;</u>
<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 <a href="#">132.1</a> ;
<b>Policy</b>	means this Policy on Responsible Sourcing of LME-Listed Brands;





<b>Primary Materials</b>	means processed 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><u>Secondary Materials</u></b>	<p><u>means the reclaimed end-user or post-consumer products or scrap processed metals.</u></p> <p><u>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.</u></p> <p><u>Scrap processed metal is material created during product manufacturing which are returned to a smelter or refiner or re-melter.</u></p> <p><u>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 bi-product from another ore, are not Secondary Materials;</u></p>
<b><u>Secondary Materials Track</u></b>	<u>means the process and requirements specified in Paragraph 8;</u>
<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>	<p>means any of:</p> <ul style="list-style-type: none"> <li>(a) the Recognised Alignment-Assessed Standard Track;</li> <li>(b) the Audited LME RFA Track; or</li> <li>(c) the Published LME RFA Track;</li> <li>(d) <u>the Secondary Materials Track</u></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).



Question:

5) Do you believe the glossary term definitions for “Primary Material”, “Input Material”, and “Secondary Material” are appropriate and explain the differences sufficiently between these material types? If not, please provide suggestions on how these terms should be explained.





# LME Policy on Responsible Sourcing of LME-Listed Brands

Revision date: December 2022

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# 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 (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 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.

The LME is aware that there may be some peripheral cases where an OECD Red Flag is considered to have been addressed by the Producer in some way and no longer remains as an OECD Red Flag. To encourage full transparency and for practicality, 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.

#### 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, including by changing:

- (a) from the Recognised Alignment-Assessed Standard Track to either (i) the Audited LME RFA Track or (ii) the Published LME RFA Track; or
- (b) from the Audited LME RFA Track or Published LME RFA Track (as applicable) to the Recognised Alignment-Assessed Standard Track; or
- (c) from the Audited LME RFA Track to the Published LME RFA Track;
- (d) from the Published LME RFA Track to the Audited LME RFA Track; or
- (e) from the Secondary Materials Track to the Audited LME RFA Track, Published LME RFA Track or Recognised Alignment-Assessed Standard Track (as applicable),

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**

Calculated from the day the Producer of a Brand is notified by the LME of the reclassification, the Producer must notify the LME within three months of its chosen standard and submit the Standard Audit Report within one year of being notified by the LME of the reclassification. 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
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 the origin of Input Materials sourced; 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 includes metals or materials 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;
<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 processed 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 or post-consumer products or scrap processed metals.</p> <p>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.</p> <p>Scrap processed metal is material created during product manufacturing which are returned to a smelter or refiner or re-melter.</p> <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 bi-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>	<p>means any of:</p> <ul style="list-style-type: none"> <li>(a) the Recognised Alignment-Assessed Standard Track;</li> <li>(b) the Audited LME RFA Track; or</li> <li>(c) the Published LME RFA Track;</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).





# LME Red Flag Assessment Template

Reporting template for LME-listed brands

**LME RED FLAG ASSESSMENT TEMPLATE – OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS**

**Directions**

- This template constitutes the LME RFA Template for the purposes of the LME Policy on Responsible Sourcing of LME-Listed Brands (the “Policy”). Capitalised terms not defined herein have the meaning ascribed to them in the Policy
- This template is only required for Brands following the Audited LME RFA Track (when the completed template must be submitted to the auditor) and the Published LME RFA Track (when the completed template must be submitted to the LME)
- Producers should consult the Policy for information on reporting periods, submission deadlines and other information
- This template is based on the “Supplement on Tin, Tantalum and Tungsten” of the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”. References to “OECD Guidance” in the context of this template should be interpreted accordingly

**1) BRAND INFORMATION**

<b>Brand name:</b>		<b>LME Brand code:</b>	
<b>Producer name:</b>		<b>Producer address:</b>	
<b>Contact details:</b>		<b>Reporting Period:</b>	
<b>Date of submission:</b>			

**2) COMPANY MANAGEMENT SYSTEMS**

- The LME believes it important that its listed Brands report (per A.1.1 of Step 5 of the OECD Guidance) on their company management systems (per Step 1A and Step 1B of the OECD Guidance). This is because this information is necessary to reassure market stakeholders that the analysis of the Red Flag Assessment has been correctly completed.
- a. **Company Management Systems:** In respect of the production of this Brand in this Reporting Period, set out the Producer’s supply chain due diligence policy; explain the management structure responsible for the Producer’s due diligence and who in the Producer is directly responsible; describe the control systems over the mineral supply chain put in place by the Producer, explaining how this operates and what data it has yielded that has strengthened the Producer’s due diligence efforts in this Reporting Period; describe the Producer’s database and record-keeping system

This question reflects those elements of item A.1.1 of the Step 5 Reporting which themselves relate to Step 1A and Step 1B. Note that the requirement to “disclose information on payments made to governments in line with EITI criteria and principles” is contained in Section 6) of this template, given the LME’s specific commitment to the combatting of financial crime and corruption risk.

**3) LOCATIONS OF MINERAL ORIGIN AND TRANSIT**

- An effective Red Flag Assessment will require a clear understanding of the countries (i) from which minerals have originated, and (ii) through which minerals have transited. For the purposes of this Red Flag Assessment, the terms “transited through” and “transported via” may be read as interchangeable.



## LME Red Flag Assessment Template

- a. On the basis of the Producer’s Company Management Systems for tracing the origin of materials from its operations and those of its suppliers, list the countries from which the minerals used for this Brand originated during the Reporting Period

This answer may be provided as a list of countries, and does not need to be disaggregated by supplier. However, the LME may request this information on a confidential basis in the event that further information in respect of the Red Flag Assessment is required.

- b. On the basis of the Producer’s Company Management Systems for tracing the transit of materials from its operations and those of its suppliers, list the countries through which minerals used for this Brand have transited during the Reporting Period

This answer may be provided as a list of countries, and does not need to be disaggregated by supplier. However, the LME may request this information on a confidential basis in the event that further information in respect of the Red Flag Assessment is required.

- c. Is any company in the supply chain for this Brand unable to determine the countries from which minerals used for this Brand either originated or transited during the Reporting Period?

### 4) SUPPLIERS

- a. On the basis of the Producer’s Company Management Systems for assessing suppliers and other known upstream companies, compile a list of companies (the “Relevant Companies”) in which the Producer’s suppliers and other upstream companies have had shareholder and other interests during the Reporting Period. List the countries from which the Relevant Companies supply minerals, and countries in which the Relevant Companies operate

This answer may be provided as a list of countries, and does not need to be disaggregated by Relevant Company. For the avoidance of doubt, the identities of the Relevant Companies do not need to be disclosed; however, the LME may request this information on a confidential basis in the event that further information in respect of the Red Flag Assessment is required.

For the purposes of this analysis, “shareholder interest” may be interpreted as a majority shareholder interest, and “other interest” may be interpreted as a controlling interest achieved through a route other than a shareholding.

- b. On the basis of the Producer’s Company Management Systems for assessing suppliers and other upstream companies, list the countries in which those suppliers and other upstream companies have sourced minerals during the Reporting Period

This answer may be provided as a list of countries, and does not need to be disaggregated by supplier/other upstream company. However, the LME may request this information on a confidential basis in the event that further information in respect of the Red Flag Assessment is required.

### 5) ASSESSMENT OF GEOGRAPHIES (ORIGINATION AND CHAIN OF CUSTODY)

- Core to the Red Flag Assessment is the determination of Conflict-Affected and High-Risk Areas (“CAHRAs”)



- The LME believes that the determination of CAHRAs is ultimately for producers to undertake
  - The LME has determined that the CAHRA definition relevant to LME-listed brands should be the expanded scope set out in the “Definitions” section of the “Supplement on gold” in the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”. In particular, this incorporates the abuses from Paragraph 1 of Annex II of the OECD Guidance into the CAHRA definition
  - The LME further recognises that the definition of CAHRA does not map precisely onto national boundaries, and it appears possible under the OECD Guidance that certain sub-divisions of a state would be a CAHRA, and other sub-divisions not a CAHRA. This possibility is reflected in the methodology below
- a. For each of the countries identified in the answers to items 3)a, 3)b, 4)a and 4)b, classify that country (based on the Producer’s analysis during the Reporting Period) into:
- (i) A country of which no area falls into the CAHRA definition;
  - (ii) A country of which all areas fall into the CAHRA definition; or
  - (iii) A country of which some, but not all, areas fall into the CAHRA definition. In this case, indicate whether the areas to which the answers to items 3)a, 3)b, 4)a and 4)b relate fall within the CAHRA definition

Countries falling into the CAHRA definition per (ii), and regions of countries falling into the CAHRA definition per (iii), shall be referred to as “CAHRA areas”.

- b. For each of the countries identified in the answers to items 3)a, 3)b, 4)a and 4)b, indicate whether or not (based on the Producer’s risk identification during the Reporting Period) minerals from CAHRAs are known to transit through that country
- c. For each of the countries identified in the answers to items 3)a, 3)b, 4)a and 4)b, indicate whether or not (based on the Producer’s risk identification during the Reporting Period) that country (in respect of the contribution of minerals from that country to production of the Brand) has limited known resources, likely resources or expected production levels (i.e. whether the declared volumes of mineral from that country for use in producing the Brand are out of keeping with that country’s known reserves or expected production levels)

## 6) FINANCIAL CRIME AND CORRUPTION RISK

- The LME believes that financial crime and corruption risk represent important concerns for industry stakeholders. Accordingly, the LME is particularly keen to ensure that the principles of the Extractive Industries Transparency Initiative (“EITI”), as referenced in the OECD Guidance, are embedded into global supply chains. As such, this template references the specific wording of the OECD Guidance in respect of EITI, but further requires that Producers explain broader disclosure on a per-country basis.

- a. **Payments made to governments:** Confirm that the Producer discloses information in respect of this Brand in this Reporting Period on payments made to governments in line with EITI criteria and principles, and provide the details of where such reporting may be found

This question partially reflects item A.1.1 of the Step 5 Reporting.

- b. **Per-country EITI transparency:** For each of the countries identified in the answers to items 3)a, 3)b, 4)a and 4)b, set out:



- (i) Whether the country is an EITI member country;
- (ii) If the country is an EITI member country, whether the Producer, its suppliers and/or other upstream companies are in compliance with the EITI reporting requirements of that country. Where relevant (and where such disclosure would not require the disclosure of commercially confidential information), provide links to the latest EITI report, or the relevant company's submission for the purpose of EITI reporting; or
- (iii) If the country is not an EITI member country, whether the Producer, its suppliers and/or other upstream companies undertake other steps to provide transparency on payments and other matters in line with the aims of EITI

## 7) RED FLAG ASSESSMENT

- a. Do any of the countries identified in 3)a (origin of minerals) or 3)b (transit of minerals) fall into the CAHRA areas identified in 5)a?

This provides coverage of the first OECD Red Flag.

- b. Do any of the countries identified in 3)a (origin of minerals) fall into the list of limited resource countries identified in 5)c?

This provides coverage of the second OECD Red Flag.

- c. Do any of the countries identified in 3)a (origin of minerals) fall into the list of transit counties identified in 5)b?

This provides coverage of the third OECD Red Flag.

- d. Do any of the countries identified in 4)a (shareholder and other interests) fall into the CAHRA areas identified in 5)a, or the list of transit counties identified in 5)b?

This provides coverage of the fourth OECD Red Flag.

- e. Do any of the countries identified in 4)b (supplier operations) fall into the CAHRA areas identified in 5)a, or the list of transit counties identified in 5)b?

This provides coverage of the fifth OECD Red Flag.

- f. Is the answer to 3)c (unknown source of minerals) positive?

This provides coverage of the OECD Red Flag instruction that "if a company in the supply chain is unable to determine whether the minerals in the company's possession come from a 'red flag location of mineral origin or transit', it should proceed to Step 1 of the Guidance". For the purposes of this Red Flag Assessment, this is understood as being equivalent to triggering an OECD Red Flag.

- g. Does the producer fail to undertake required EITI reporting pursuant to 6)a?

This reflects the stated focus of the LME on financial crime and corruption risk.



## LME Red Flag Assessment Template

- h. Is the answer to any of 7)a – 7)g positive?

If so, then it should be assumed that one or more OECD Red Flags are engaged, and the must hence follow the Recognised Alignment Assessed Standard Track.

If not, then it should be assumed that Red Flags are not engaged, and the Brand may hence choose any of the Recognised Alignment Assessed Standard Track, the Audited LME RFA Track, or the Published LME RFA Track.

- i. Does the Producer believe that the Red Flag Assessment should result in a different outcome than indicated in 7)h)? If so, then a full explanation must be given.

If this is the case, it is expected that the Producer will have discussed this with the LME in advance of submission of this template (either to the LME or auditor).





# LME Red Flag Assessment Template

Reporting template for LME-listed Brands, version 2

Revision date: December 2022

## LME RED FLAG ASSESSMENT TEMPLATE

### Introduction

- This document and accompanying Red Flag Assessment (“RFA”) Workbook constitute the LME RFA Template (the “template”) for the purposes of the LME Policy on Responsible Sourcing of LME-Listed Brands (the “Policy”). This template is only required for Brands following the Audited LME RFA Track (Track B) and the Published LME RFA Track (Track C). Capitalised terms not defined herein have the meaning ascribed to them in the Policy.
- This template is based on the “Supplement on Tin, Tantalum and Tungsten” of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition. References to OECD Guidance in the context of this template should be interpreted accordingly.
- The purpose of the OECD Guidance is to help companies respect human rights and avoid contributing to conflict through their sourcing decisions, including the choice of their suppliers<sup>1</sup>.
- Producers should consult the Policy for information on Reporting Periods, submission deadlines and other contextual information.
- Please submitted all relevant documents in English, this includes the RFA, RFA workbook, and any supplemental documents the LME should consider as part of the submission.
- The RFA Workbook is available here:



Microsoft Excel  
Worksheet

#### Context:

In reviewing the RFAs from the first year of implementation, the LME received comments regarding formatting and ease of submission. The LME has addressed a few of these as noted below:

- The LME has taken the many sub-questions from the original Question 2 and broken them out into stand-alone questions.
- The LME has moved the country-related data into a separate worksheet in a tabular format to improve consistency of responses, clarity of expectations, and ease of response.
- The LME has added references to the OECD Guidance page numbers so that Producers may easily refer back to the original document.

#### Question:

6) Are there other formatting changes you would suggest to make the template easier for Producers to complete?

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<sup>1</sup> OECD Guidance, page 12





Section 1. BRAND INFORMATION	
LME Brand Producer name <sup>2</sup>	
LME Brand name(s) <sup>2,3</sup>	
Reporting Period start date (DD/MM/YYYY)	
Reporting Period end date (DD/MM/YYYY)	
Date of submission (DD/MM/YYYY)	
Address of Brand producing site	
Website of Brand Producer	
Name of person submitting RFA	
Job title of person submitting RFA	
Phone number	
Email address	

<sup>2</sup> This may be found on the list of LME Approved Brands: <https://www.lme.com/en/physical-services/brands/approved-brands>

<sup>3</sup> In the majority of cases, each Brand will require a unique RFA. However, if multiple Brands are produced by the same Producer, and the responses to the RFA questions are identical for all said Brands, one RFA may be submitted for all Brands.



## Section 2. COMPANY MANAGEMENT SYSTEMS

- a. Describe the Producer's supply chain due diligence policy. The policy should incorporate the standards against which due diligence is to be conducted, consistent with the model policy contained in Annex II of the OECD Guidance.<sup>4</sup>

Please provide a link or a copy where available.

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<sup>4</sup> OECD Guidance, page 20



b. Describe how this policy been communicated to suppliers, employees, and the public.<sup>5</sup>

c. Explain the management structure responsible for the Producer's due diligence, including who is directly responsible for implementing the supply chain due diligence policy.<sup>6</sup>

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<sup>5</sup> OECD Guidance, page 17

<sup>6</sup> OECD Guidance, page 17 and page 52



- d. Describe the system of controls and transparency over the mineral supply chain put in place by the Producer. This includes:
  - a. the type of information<sup>7</sup> the Producer collects from suppliers,
  - b. whether this information is required in commercial contracts with suppliers<sup>8</sup>
  - c. the format of the record-keeping of the Producer (such as paper-based, computerised, digital ledger technology, or part of an institutionalised mechanism)<sup>8</sup>, and
  - d. for how long this information is stored<sup>8</sup>.

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<sup>7</sup> OECD Guidance, page 38, which refers to the information expected on page 37

<sup>8</sup> OECD Guidance, page 38



e. Describe the data the management system has yielded this Reporting Period and how it has strengthened the company's due diligence efforts.<sup>9</sup>

f. Confirm that a company-level or industry-wide grievance mechanism has been established and provide evidence.<sup>10</sup>

Context:

The original Red Flag Assessment template did not explicitly request the demonstration of implementation of a grievance mechanism, but as this is part of Step 1 of the OECD Guidance, the LME is now providing clarification of the requirement

Question:

7) Do you believe it is appropriate for the LME to clarify the expectation of a grievance mechanism (either independent or as part of an industry programme) as expected by the OECD Guidance?

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<sup>9</sup> OECD Guidance, page 52

<sup>10</sup> OECD Guidance, page 17 with details on page 40



g. Describe the Producer's method for identifying Conflict-Affected and High-Risk Areas ("CAHRA").<sup>11</sup>

Context:

The definition of a CAHRA is provided in the OECD Guidance, and specified by the Policy. The LME does not dictate a specific methodology for identifying CAHRAs and leaves this determination up to the Producer (albeit, as noted in the Policy, the LME did anticipate that some Producers may wish to use CAHRA lists provided by third parties, should those prove appropriate). However, as this is a key point in the Red Flag Assessment, the LME does believe the process the Producer uses to determine CAHRAs needs to be disclosed to build trust in the Track C process. In year one, the LME made these requests bilaterally to Producers should the information not be provided in the original submission; however, the LME is now proposing to clarify this requirement by including it in this revised template. Once Producers have provided their CAHRA methodology to the LME in the RFA, this information would be expected to be included in the public disclosure of the RFA as well, in line with the transparency timeline (including phased introduction) provided by the LME in the Policy

Question:

8) Do you consider these changes appropriate? Why or why not?

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<sup>11</sup> Though not directly referenced in the OECD Guidance, the LME requires this information to be disclosed as part of the transparency requirements for Track C. In line with the Policy, the LME expects that the definition of "conflict-affected and high-risk areas" will be as set out in the "Supplement on Gold" of the OECD Guidance page 66, 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;



### Section 3. LOCATION OF MINERAL ORIGIN AND TRANSIT RED FLAG EVALUATION

Use the workbook to provide the following information:

- a. On the basis of the Producer's Company Management Systems for tracing the transit of materials from its operations and those of its suppliers, list all countries from which the minerals used for this Brand originated and transited through during the Reporting Period.
- b. Identify whether each of the countries listed in (a.) is a source for the Brand material or a country through which the material only transits.
- c. Specify the type of material being sourced or transited. This is optional to disclose and only requested to assist in answering the remaining questions.
- d. Classify each country's CAHRA status:
  - (i) A country of which no area falls into the CAHRA definition;
  - (ii) A country of which all areas fall into the CAHRA definition; or
  - (iii) A country of which some, but not all areas fall into the CAHRA definition. In this case, indicate whether the material is sourced from or transits through the CAHRA in the comment column.
- e. For each of the source countries identified, assess if the volume of mineral the Producer sourced during the Reporting Period is in keeping with the source country's known reserves and expected production levels. Provide the result of your assessment.
- f. For each of the countries identified, assess if this country known to transit materials from CAHRAs.
- g. For each of the source countries in (b.), assess the status of the supplier's Extractive Industry Transparency Initiative ("EITI") implementation following these steps<sup>12</sup>:
  - (i) State whether or not the country is an EITI-implementing country<sup>13</sup>;
  - (ii) If the supplier is located in an EITI-implementing country, identify if the supplier is in compliance with the EITI reporting requirements of that country. Provide links to the relevant company's submission for the purpose of EITI reporting, where such a disclosure does not reveal commercially sensitive information.
  - (iii) If the country is not an EITI-implementing country, identify if the supplier takes other steps to provide transparency on payments to governments and other matters in line with the aims of EITI. Provide link(s) to disclosures where available.

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<sup>12</sup> The LME believes that financial crime and corruption risk represent important concerns for industry stakeholders. Accordingly, the LME is particularly keen to ensure that the principles of the EITI, as referenced on page 52 of the OECD Guidance, are embedded into global supply chains. As such, this template references the specific wording of the OECD Guidance in respect of EITI, but further requires that Producers explain broader disclosure on a per-country basis.

<sup>13</sup> The status of country's EITI implementation can be found here: <https://eiti.org/countries>



### Context:

The original RFA required Producers to include an assessment of the EITI status of countries from which they source materials, through which they transit those materials, and for the Relevant Companies identified in Section 4. As EITI is only available for the mining phase of production, asking about implementation of EITI at the transit phase of the supply chain and for Relevant Companies caused confusion. The revised version only asks Producers to look for EITI implementation for each supplier's sources of material.

In addition, the original RFA included the point that if a supplier is not shown to be implementing EITI principles, this raises a Red Flag and following the LME's Policy, and would require a switch to Track A by the Producer. Upon review of the OECD Guidance, and recognising that implementing Track A for the Producer will not necessarily prompt the relevant supplier to provide EITI reporting, the LME is removing the question that identified a lack of EITI implementation at a supplier's site to be a Red Flag.

Finally, the LME is removing the requirement for Producers to look for EITI implementation for the Relevant Companies identified in Section 4, as many of these locations will not be mine sites and the leverage Producers have with these Relevant Companies is much less than their direct suppliers identified in Section 3.

### Question:

9) Regarding EITI expectations, do you believe it is appropriate for the LME to (1) change the EITI disclosure requirements to specify that they are only for countries where minerals are sourced, not transit countries or locations of Relevant Companies and (2) remove the assumption that suppliers lacking EITI disclosures raise an OECD Red Flag?





## Section 4. SUPPLIER RED FLAG EVALUATION

The Producer is expected to identify all intermediaries, consolidators, or other actors upstream in their supply chain through their management system<sup>14</sup>. This includes but is not limited to: traders who provide minerals to the Producer or the Producer's suppliers; parent companies of the Producer or the Producer's suppliers; and companies that have a controlling interest in the Producer or Producer's suppliers ("Relevant Companies"). The Producer then must identify whether any of the "Relevant Companies" operate in or source from CAHRAs<sup>15</sup>.

If a "Relevant Company" is operating in or sourcing from a CAHRA, this triggers an OECD Supplier Red Flag. The Producer may lower this Red Flag by securing evidence that the origin or transit of the material entering their Brand feedstock was not sourced from the CAHRA that raised the OECD Supplier Red Flag. If this evidence is secured (and provided upon request) they may continue to use this template and follow the public disclosure requirements of the relevant Track. If no evidence is available, the Supplier Red Flag remains and the Producer will be referred to Track A for enhanced due diligence with the support of an assurance framework. The LME provides a more detailed guidance on this topic, available here.<sup>16</sup>

### Use the workbook to provide the following information:

- a. Indicate where the "Relevant Companies" have operated in or sourced minerals during the Reporting Period. This is only required for operations relevant to the LME Brand mineral in question.
- b. Classify the locations provided in (a.) into either locations where no minerals are produced (such as headquarters, offices, or holding companies) or locations where minerals are produced.
- c. Classify each country's CAHRA status:
  - (i) A country of which no area falls into the CAHRA definition;
  - (ii) A country of which all areas fall into the CAHRA definition; or
  - (iii) A country of which some, but not all areas fall into the CAHRA definition. In this case, indicate whether the operations are located within the CAHRA in the comment column.
- d. If any countries are CAHRAs or contain some CAHRAs within them, provide confirmation that the producer has secured evidence that the origin or transit of the material entering their feedstock was not sourced from the CAHRA that raised the OECD Supplier Red Flag.

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<sup>14</sup> OECD Guidance, page 34, which refers to the information expected to be collected by Producers on page 37

<sup>15</sup> The LME is aware that the OECD Guidance goes further on this point, including countries with limited reserves or production levels and countries where minerals from CAHRAs are known to transit, however, the LME considers these points to be adequately covered in Section 3.

<sup>16</sup> Link to LME Responsible Sourcing Guidance Handbook: (link to be added after consultation)



Context:

In reviewing the RFAs from the first year of implementation, the LME noted different interpretations of the Supplier Red Flags. The LME has made the modifications shown above to clarify expectations and increase consistency between Producer RFAs. This is to support fair treatment of all Producers.

Question:

10) Do you believe the changes to Section 4. Supplier Red Flags provide clarity to Producers on the expectations of them and clarity for when Supplier Red Flags are raised? If not, please provide other interpretations of the OECD Guidance Supplier Red Flags and explain why that interpretation is more appropriate in the circumstances.



<b>Section 5. RED FLAG ASSESSMENT</b>		
a. Is there any material in the direct supply chain of the mineral the Brand lists with the LME where the origin is unable to be determined?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Do any of the countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION fall into the CAHRA areas identified in 3.d?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Do any of the source countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION receive a quantity of material that is out of keeping with the source country's known reserves and expected production levels as answered in 3.e?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Do any of the countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION fall into the list of countries known to transit materials from CAHRAs identified in 3.f?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e. Do any of the countries identified in Section 4. SUPPLIER RED FLAG EVALUATION fall into the CAHRA areas identified in 4.c without confirmation provided in 4.d?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f. Is the answer to any of Section 5.a – 5.e positive?  <span style="color: red;">If yes, the LME Brand is considered to have raised an OECD Red Flag and must use Track A.</span>	<input type="checkbox"/> Yes	<input type="checkbox"/> No



g. Does the Producer believe that the Red Flag Assessment should result in a different outcome than indicated in **Error! Reference source not found.**? If so, then a full explanation must be given.

Yes     No

Explanation:



Additional comments:

Large empty light gray rectangular area for providing additional comments.



		Country identification		End Flag 1	End Flag 2	End Flag 3	EIT implementation		Additional comments	
Question from IFA	On the basis of the Producer's Company Management System for tracing the origin of materials from its operations and those of its suppliers, list all countries from which the material used for this Brand originated and obtained through the Reporting Period.	Is country identifier each of the countries listed in (a) a source for the Brand material or a country through which the material only travels?	Specify the type of material being covered or transited. This response is selective and only requested to assist in answering the remaining questions.	Is Country each country a Control Effect or a High Risk Area ("CAHRA") status.	For each of the source countries identified in the volume of material the Producer received during the Reporting Period in keeping with the source country's brand process and regional production laws, provide the result of your assessment.	For each of the countries identified, this country known to transit materials from CAHRAs.	A. For each of the source countries in (a), assess the status of the supplier's facilities against Transparency Initiative ("TI") implementation following these steps:			
Clarification of required answers	Please enter the country name.	Please enter "Source" or "Transit only".	Optional: you may enter the type of material sourced if desired.	Please enter country CAHRA evaluation as "No CAHRA", "Same CAHRA", or "AE CAHRA". For "Same CAHRA", provide specific region in comments column C.	For source countries only: Please enter Yes or No for source countries and NA for transit only countries.	For all countries: Please enter Yes if known to transit materials from CAHRAs or No if not.	For source countries only: (i) State whether or not the country is an EIT implementing country; these enter Yes or No for source countries and NA for transit only countries.	For source countries only: (ii) If the supplier is located in an EIT implementing country, identify if the supplier is in compliance with the EIT reporting requirements of that country. Provide links to the relevant company's submissions for the purpose of EIT reporting, where such a disclosure does not reveal commercially sensitive information.	For source countries only: (iii) If the country is not an EIT implementing country, identify if the supplier takes other steps to provide transparency on payments to governments and other matters in line with the area of EIT. Provide links to disclosures, where available.	
Example answers	Country A Country B Country C Country D	Source Source Transit only Source	Carbon concentrate Alumina Zinc oxide Bauxite	No CAHRA Same CAHRA AE CAHRA No CAHRA	Yes No Yes No	No No Yes No	Yes Yes NA NA	Not in compliance In compliance, report here: (link) NA NA	NA NA NA NA	Region ABC or Country B is considered a CAHRA and the materials we source do not come from this region.
								Assessing on assessments on score XX (link)		

Question from RFA	a. Indicate where the "Relevant Companies" have operated in or sourced minerals during the Reporting Period. This is only required for operations relevant to the LME Brand mineral in question.	b. Classify the locations provided in (a.) into either locations where no minerals are produced (such as headquarters, offices, or holding companies) or locations where minerals are produced.	d. Classify each country's Conflict-Affected or High-Risk Area ("CAHRA") status.	d. If any countries are CAHRAs or contain some CAHRAs within them, provide confirmation that the producer has secured evidence that the origin or transit of the material entering their feedstock was not sourced from the CAHRA that raised the OECD Supplier Red Flag.
<b>Clarification of required answers</b>	Please enter the country name.	Please enter "No Mineral Production" or "Mineral Production"	Please enter country CAHRA evaluation as "No CAHRAs", "Some CAHRAs", or "All CAHRA".	
<b>Example answers</b>	Country X Country Y Country Z	No Mineral Production No Mineral Production Mineral Production	No CAHRAs Some CAHRAs All CAHRA	[Confirmation needed] [Confirmation needed]

## LME Responsible Sourcing – Secondary Material sourcing attestation form

Revision date: 22 November 2021

### 1.) BRAND INFORMATION

<b>Brand name</b>		<b>LME Brand code</b>	
<b>Producer name</b>		<b>Producer address</b>	
<b>Contact details</b>			
<b>Date of submission</b>		<b>Date of last submission</b>	

### 2.) DIRECTIONS

#### Introduction

- This form replaces and combines the previous versions of the LME Responsible Sourcing – Secondary Material sourcing attestation form and Addendum released in Nov 2020. Both this version and the previous versions will be accepted for the 2021 Reporting Period.
- As outlined in Section 4.1 of the Overview of LME responsible sourcing document, and in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Guidance”), the LME’s requirements for the responsible sourcing of its listed-brands will not apply to those Brands sourcing their feedstock exclusively from Secondary Materials (as defined in Section 3 below).
- For the avoidance of doubt, this exclusion will only apply to the compliance requirements as laid out in Sections 4-7 of the LME Policy on Responsible Sourcing of LME-Listed Brands (“LME Responsible Sourcing Policy”). **ISO 14001 and OHSAS 18001 / ISO 45001 (or equivalent certification programmes) certifications are required for all LME-listed Brands (including Brands sourcing solely from Secondary Material sources)** and the first LME reporting date for these certifications (or equivalent) is 31 December 2023.
- Capitalised terms not otherwise defined in this form shall have the meanings ascribed to them under the LME Responsible Sourcing Policy.
- This attestation form is only intended for Brands that source solely from (i.e. 100%) Secondary Material sources and wish to use this form to self-attest as such. Brands sourcing Primary Materials should consult the LME Responsible Sourcing Policy for information on Reporting Periods, submission deadlines and other information relating to compliance.
- Brands will be required to comply with the LME Responsible Sourcing Policy if unable to determine the origin of minerals sourced.

#### Timeline

- The first submission of this attestation form to the LME should be 30 June 2022.
- Brands that wish to use this form to comply will need to attest that the Brand has only sourced Secondary Materials for the production of that Brand for the Reporting Period (please see the meaning of Reporting Period in LME Responsible Sourcing Policy).
- Should sourcing practices then change and the Brand stops sourcing only Secondary Materials, the Brand should make the LME aware within 30 days. The LME will then work with the Brand to agree a timeline for transition to Track A, B or C for the purposes of responsible sourcing compliance.





### Further instructions

- To ensure compliance with the LME Responsible Sourcing Policy via this attestation form, Brands must take the following steps:
  - i) Complete Brand information (shown in Section 1) as per the Brand's LME brand listing requirements. Should Brand information not be available (or new Brand information is required), please email the LME [Brands](#) Team.
  - ii) The Brand's sourcing team (e.g. buying / procurement department) and Compliance team to jointly conduct an internal first-party assessment of the Brand's sourcing history (for materials used in the production of the LME brand) for the Reporting Period (if first submission) or since last submission date, to determine percentages of Primary Materials sourced and percentage of Secondary Materials sourced.

For the avoidance of doubt, Materials will be considered "sourced" from the date the material's legal ownership is transferred to the Brand. Additionally, Brands must inform the LME in Section 5 of this form if the Brand is relying purely on assurances from their suppliers rather than objective evidence e.g. audits.

If any Primary Material sourcing is used in production of the Brand, the Brand becomes ineligible to use this attestation form and the LME Responsible Sourcing Policy Sections 4 to 7 will apply.
  - iii) After conducting the assessment review by internal teams, confirm with the Brand's reporting officer (defined below) that 100% of materials sourced for production constitute Secondary Materials.
  - iv) Complete the supporting information in Section 5. The information in this section will not be published externally by the LME.
  - v) Once completed, ensure the Reporting Officer and an Authorised Signatory sign the attestation form declaration (shown in Section 6).
  - vi) Send completed form as a PDF to the LME by email to [responsiblesourcing@lme.com](mailto:responsiblesourcing@lme.com).
  - vii) The Brand will receive confirmation from the LME that the attestation form has been received and ratified and furthermore the **Brand's name will be shown on the LME website as the Brand having self-attested to 100% Secondary Materials sourcing.**
  - viii) If the Brand becomes aware that sourcing practices change and Primary Material is due to be (or has already been) sourced, the Brand will be required to inform the LME within 30 days, and to begin working towards compliance with the LME Responsible Sourcing Policy on a timeline to be agreed with the LME.
  - ix) Brands are encouraged to periodically review and conduct assessments of their sourcing practices.

### 3.) DEFINITIONS

- **Primary Materials** – Processed material which has never previously been refined
- **Secondary Materials** – for LME requirements for base metals, Secondary Materials are the reclaimed end-user or post-consumer products (this 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), or scrap processed metals (this is material created during product manufacturing which are returned to a smelter or refiner or re-melter).

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 bi-product from another ore, are not Secondary Materials

- **Reporting Officer** – a person responsible for ensuring the accuracy of the attestation form that is submitted to the LME. The LME does not require the reporting officer to collate all the pertinent sourcing data required for the Brand to be confident that the attestation form is correct, nor design and implement the processes by which such data is collated. That said, the reporting officer shall ultimately be responsible for the declaration and submission of the attestation form and should therefore be satisfied that the form is accurate (having checked any internal assessment and materials). The attestation form must be approved and submitted by the reporting officer (and signed off by an authorised company signature).

The LME shall be entitled to rely on any report submitted by the reporting officer as being complete and accurate in respect of Secondary Material sourcing on the basis that it has been reviewed and approved by reporting officer

- **Authorised Signatory** – an individual with the capacity and authority to sign this form on behalf the organisation

#### 4.) FURTHER LME GOVERNANCE

- The LME may request at any time, and the Brand will comply, that the reporting officer of the Brand confirms, in writing, the Brand's compliance with the terms of the attestation form and that its sourcing remains 100% from Secondary Materials.
- Upon the provision of at least thirty (30) days' written notice (but without notice in the case of a breach or suspected breach of the instructions of this attestation form), the Brand shall permit the LME and/or its advisors and/or any independent professional auditors acting on behalf of the LME to gain access (both physical and remote) and inspect during normal business hours the systems, controls, books, records and/or other documents as may be required. Additionally, to inspect the Brand's sourcing data and, where appropriate, that of its affiliates, and any other information held by the Brand or its affiliates<sup>1</sup> for the purposes of auditing the Brand's compliance with this attestation form. The LME shall ensure that its advisors and/or its auditors treat all information obtained from a Brand during the course of any audit as confidential information.

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<sup>1</sup>This includes reviewing the system processes and policy documents used to collate data



## 5.) SUPPORTING INFORMATION

- Please answer the following questions about the Brand's sourcing practices. In addition to the information provided, please include with your submission any other documentation deemed relevant to the Brand's secondary material sourcing practices.

1. Explain whether the Brand is relying solely on assurances from suppliers regarding the sources of material or on objective evidence (e.g. from independent audits).

2. List corporate level checks that Brand conducts on its suppliers (e.g. Know Your Client/Counterparty checks).

3. Confirm that the Brand has a strong company management system in place (please refer to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, page 36) and give examples.



## 6.) DECLARATION

I confirm on behalf of \_\_\_\_\_ [*insert parent company's registered company name*] that the information in this attestation form is true, accurate, and complete, and, furthermore, that \_\_\_\_\_ [*insert Brand name*] Brand sourced 100% Secondary Materials (as defined in this attestation form) in this Reporting Period.

**Reporting Officer signature:** \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Authorised Signatory signature:** \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_



# LME Secondary Materials Sourcing Attestation Form

Reporting template for LME-listed brands, version 3

Revision date: December 2022

## LME SECONDARY MATERIALS SOURCING ATTESTATION FORM

### Introduction

- The LME Secondary Materials Sourcing Attestation Form (the “attestation form”) is intended for Producers of Brands that source solely from Secondary Material sources for their feedstock to their LME Brand according to Section 8 of the LME Policy on Responsible Sourcing of LME-Listed Brands (the “Policy”).
- Producers sourcing Primary Materials should consult the Policy for information on Track A, B, or C and other information relating to compliance. If unable to determine the origin of minerals sourced, Brands will automatically be referred to Track A.
- ISO 14001 and OHSAS 18001 / ISO 45001 (or equivalent certification programmes) are required for all Brands and the first LME reporting date for these additional requirements is 31 December 2023.
- Capitalised terms not otherwise defined in this form shall have the meanings ascribed to them under the Policy.

### Section 1. BRAND INFORMATION

LME Brand Producer name <sup>1</sup>	
LME Brand name(s) <sup>2</sup>	
Reporting Period start date (DD/MM/YYYY)	
Reporting Period end date (DD/MM/YYYY)	
Date of submission (DD/MM/YYYY)	
Address of Brand Producing site	
Website of Brand Producer	
Name of person submitting form	
Job title of person submitting form	
Phone number	
Email address	

**Context:**

The attestation form did not previously require a Reporting Period to be stated. This has been modified so that Brands, the LME, and potential users of the data about these Brands can be confident in the dates from when the Brand assures that they only sourced 100% recycled material.

**Question:**

12) Do you believe this change is appropriate?

<sup>1</sup> This may be found on the list of LME Approved Brands: <https://www.lme.com/en/physical-services/brands/approved-brands>.

<sup>2</sup> Most often each Brand will require a unique form. However, if multiple Brands are produced by the same Producer and the responses to the questions are identical for all said Brands, one form may be submitted for all Brands.



**Section 2. Supporting information**

Please answer the following questions about the sourcing practices of the Producer. In addition to the information provided, please include with your submission any other documentation deemed relevant.

1. Describe the Producer's methods to ensure Input Materials sourced during the Reporting Period are 100% Secondary Materials. Examples of assurance methods include, but are not limited to, conducting site inspections or independent audits of suppliers.

2. Describe the corporate level checks the Producer conducts on its suppliers. This is also known as Know Your Client/Counterparty ("KYC") and is typically undertaken before entering into a business relationship with a supplier.



**Section 3. Declaration**

I confirm on behalf of \_\_\_\_\_ [*insert the name of the Producer of the registered Brand*] that the information in this attestation form is true, accurate, and complete, and, furthermore, that \_\_\_\_\_ [*insert Brand name*] Brand sourced 100% Secondary Materials for its feedstock in this Reporting Period.

**Authorised Signatory\* signature:** \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**\*Authorised Signatory** – an individual with the capacity and authority to sign this form on behalf the organisation

**Context:**

With the addition of the Secondary Materials Track formally into the Policy, many of the definitions and expectations have been removed from the attestation form and are now in the Policy itself. Based on the responses from the first year, the LME was also able to condense the three questions from the original attestation form into two questions, and has reduced the number of signatures required from one to two to simplify the process for Producers. In addition, the following paragraph was deleted:

*Upon the provision of at least thirty (30) days' written notice (but without notice in the case of a breach or suspected breach of the instructions of this attestation form), the Brand shall permit the LME and/or its advisors and/or any independent professional auditors acting on behalf of the LME to gain access (both physical and remote) and inspect during normal business hours the systems, controls, books, records and/or other documents as may be required. Additionally, to inspect the Brand's sourcing data and, where appropriate, that of its affiliates, and any other information held by the Brand or its affiliates for the purposes of auditing the Brand's compliance with this attestation form. The LME shall ensure that its advisors and/or its auditors treat all information obtained from a Brand during the course of any audit as confidential information.*

However, it should be noted that the LME still retains this power as part of Paragraph 14 Co-Operation with LME Investigations of the Policy itself.

**Question:**

13) Do you believe these changes hold Producers to the appropriate level of accountability when it comes to identifying their material as 100% secondary?

