

Responsible sourcing: LME position paper

ICA and IWCC workshop

London, 5 October 2018



SETTING THE GLOBAL STANDARD



Core drivers for action

1

- Meet consumer demand – increasing requirement for downstream stakeholders, LME members and clients to be able to diligence the sourcing of physically held metal

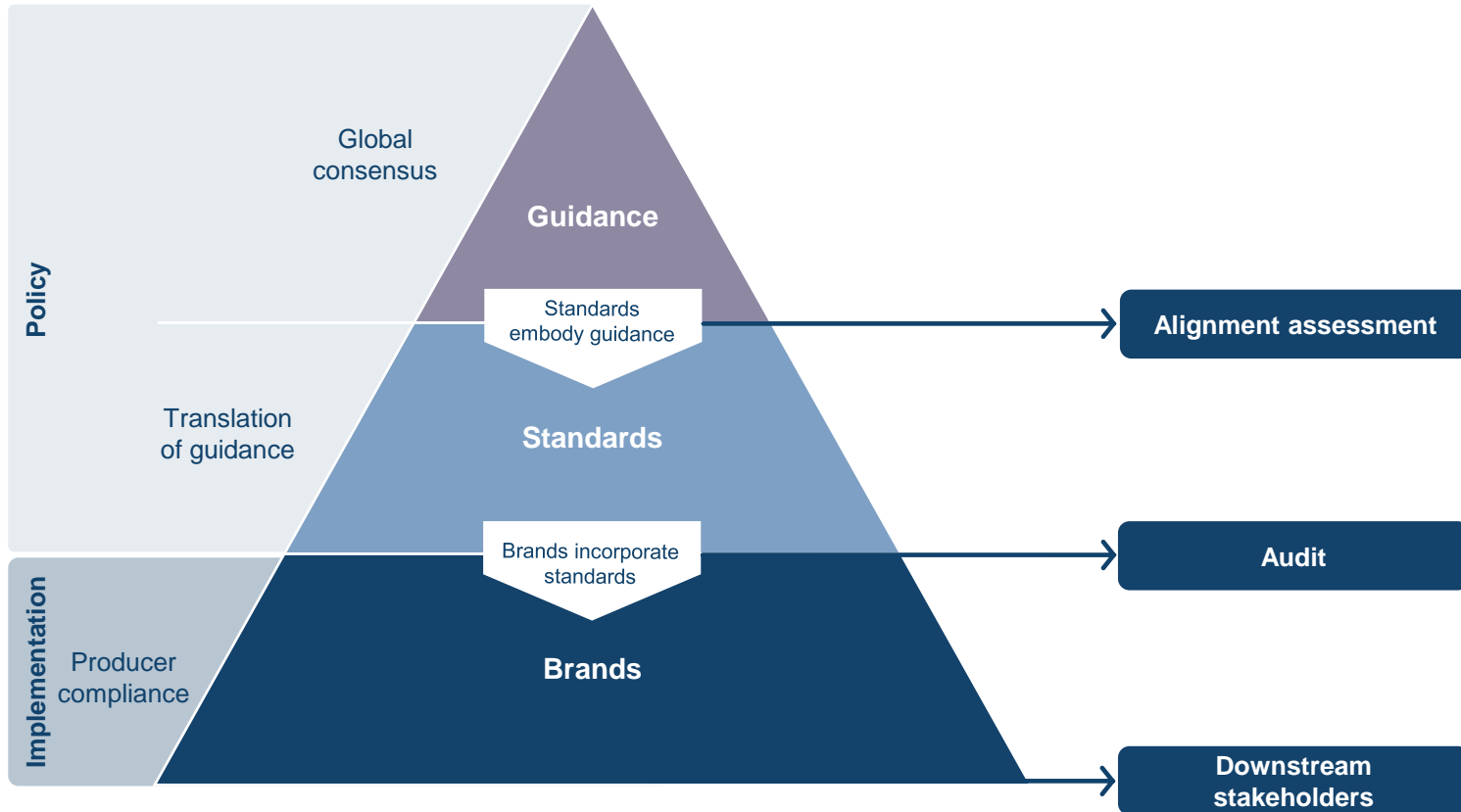
2

- Potential for one brand not confirming to market expectations on responsible sourcing to have negative reputational impact on all LME-listed brands

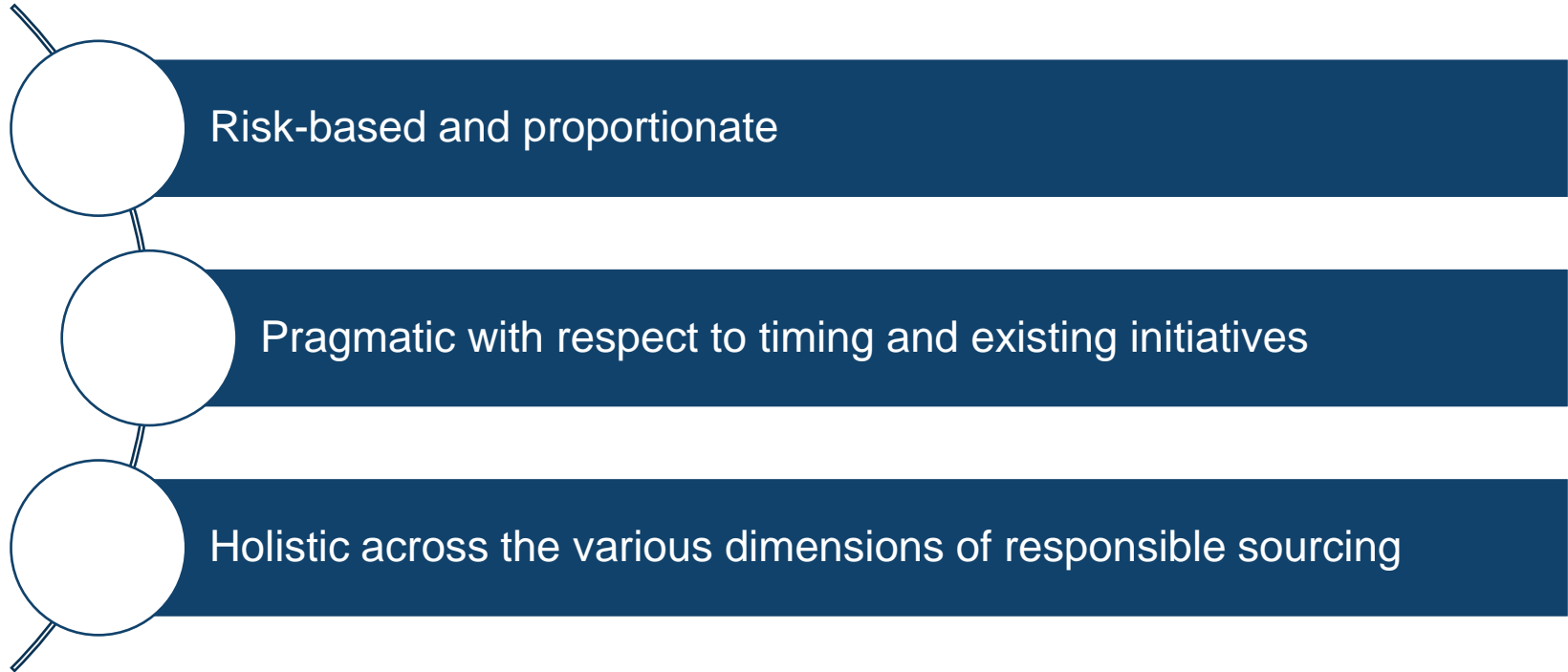
3

- Preferable for industry to define its own route forwards rather than waiting for government legislation – LME best placed to deliver a framework informed by, and acceptable to, market stakeholders

LME analysis of responsible sourcing environment

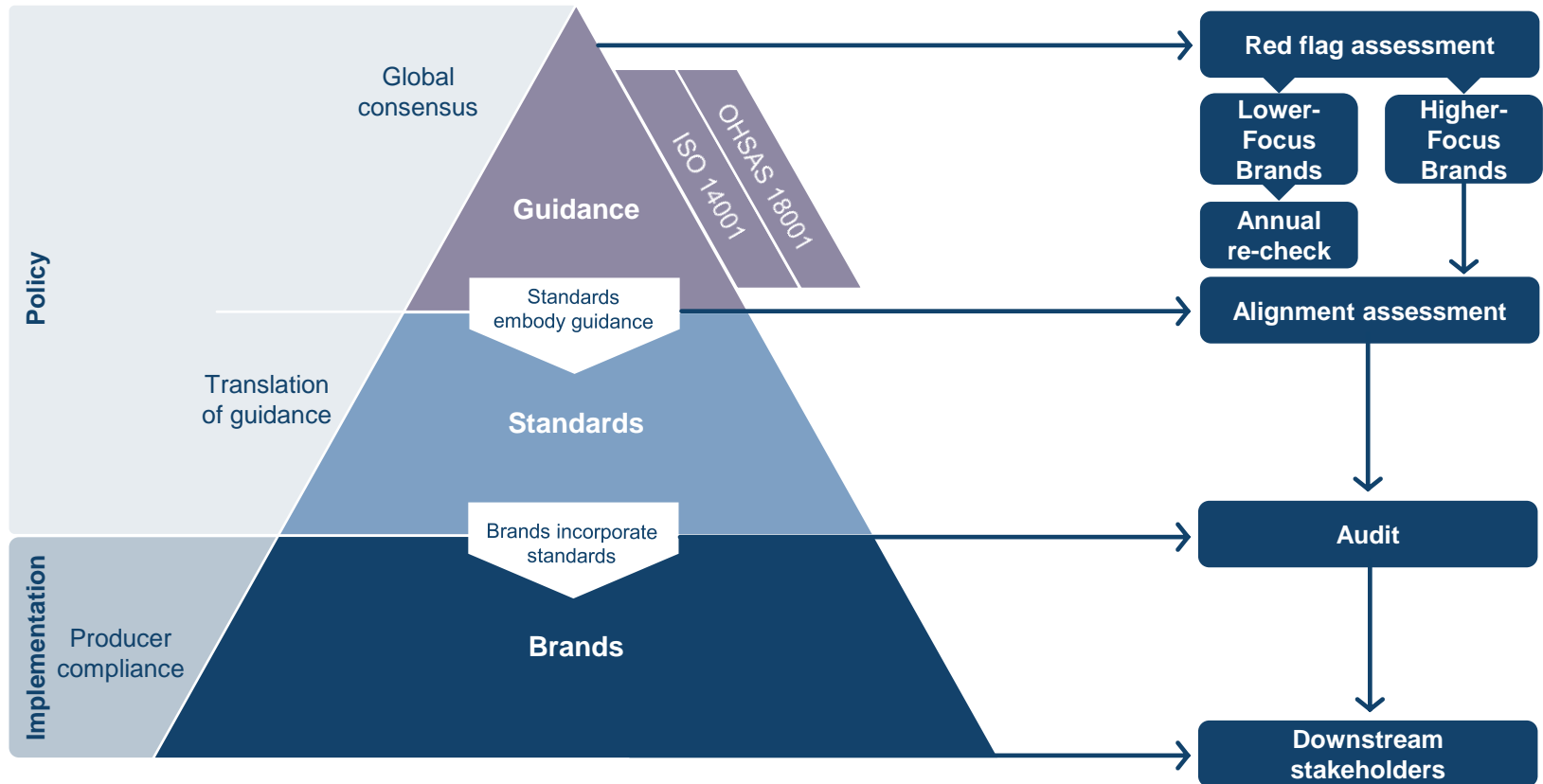


...underpinning its principles for action



LME proposed framework

Designed to enhance and support existing initiatives rather than complicate



LME process



LME process



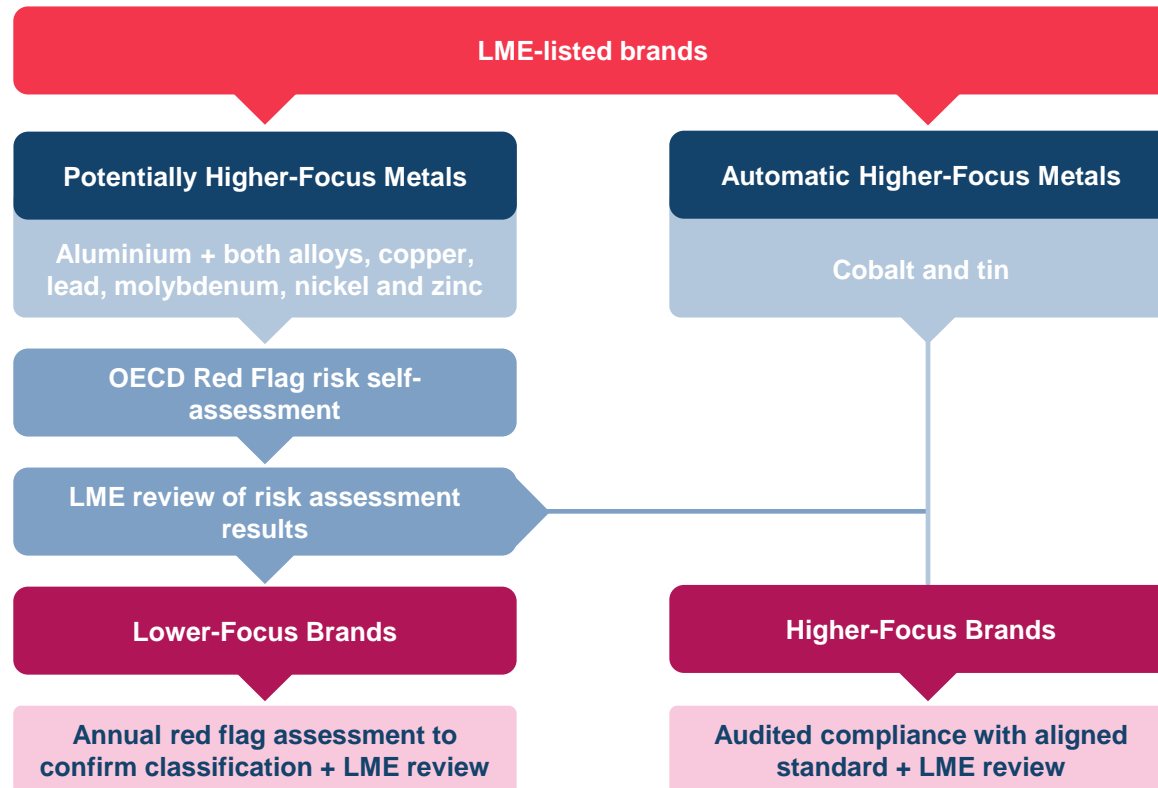
Ongoing engagement through LME-led survey

COPPER	
Listed brands	92
Unique producers	49
Unique producer respondents	36
% response	73%
Identification of standard (respondents only)	
External standard	0
Internal code of conduct only	26
None identified	10

LME process



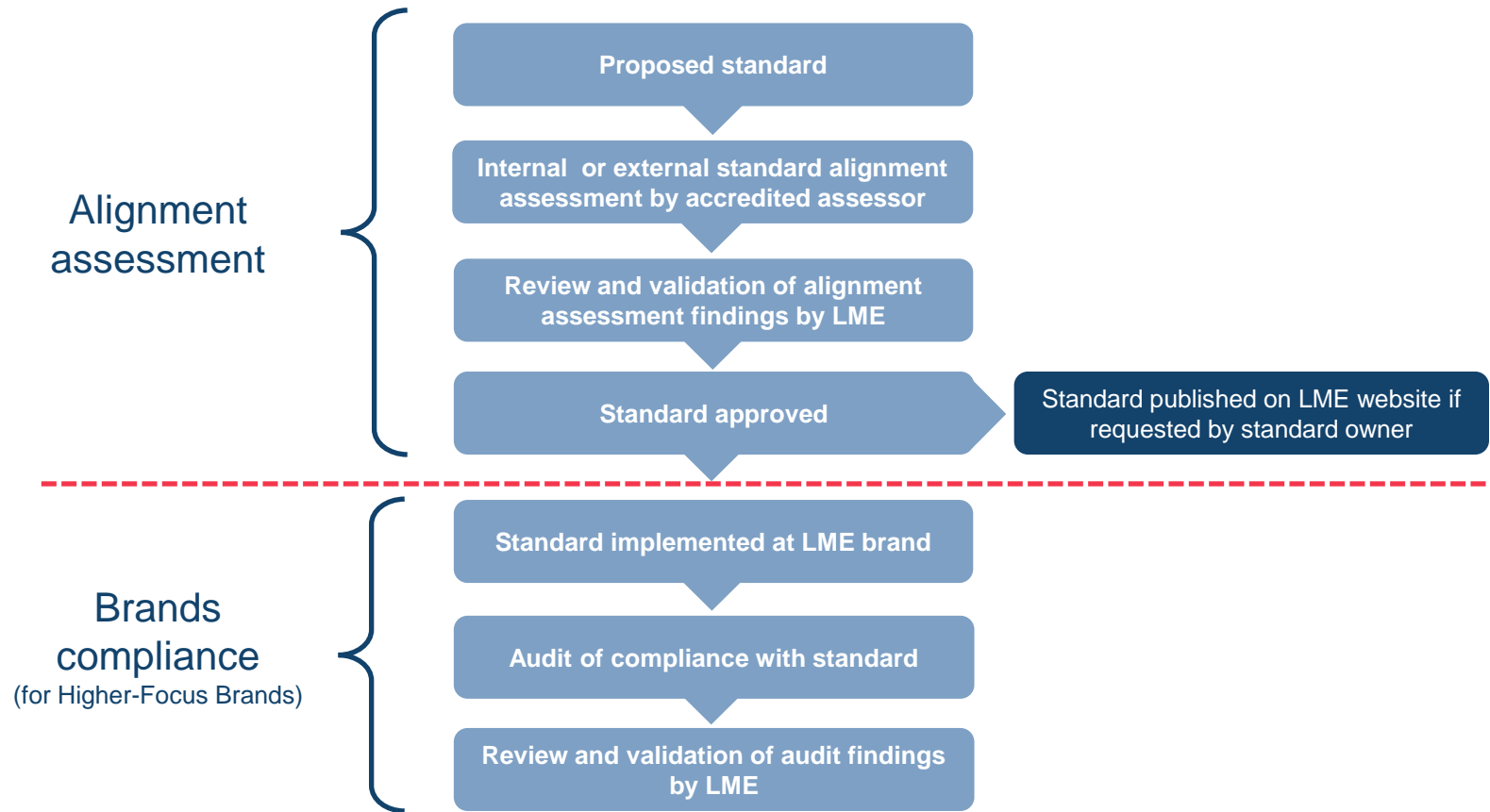
Per-brand risk classification



LME process



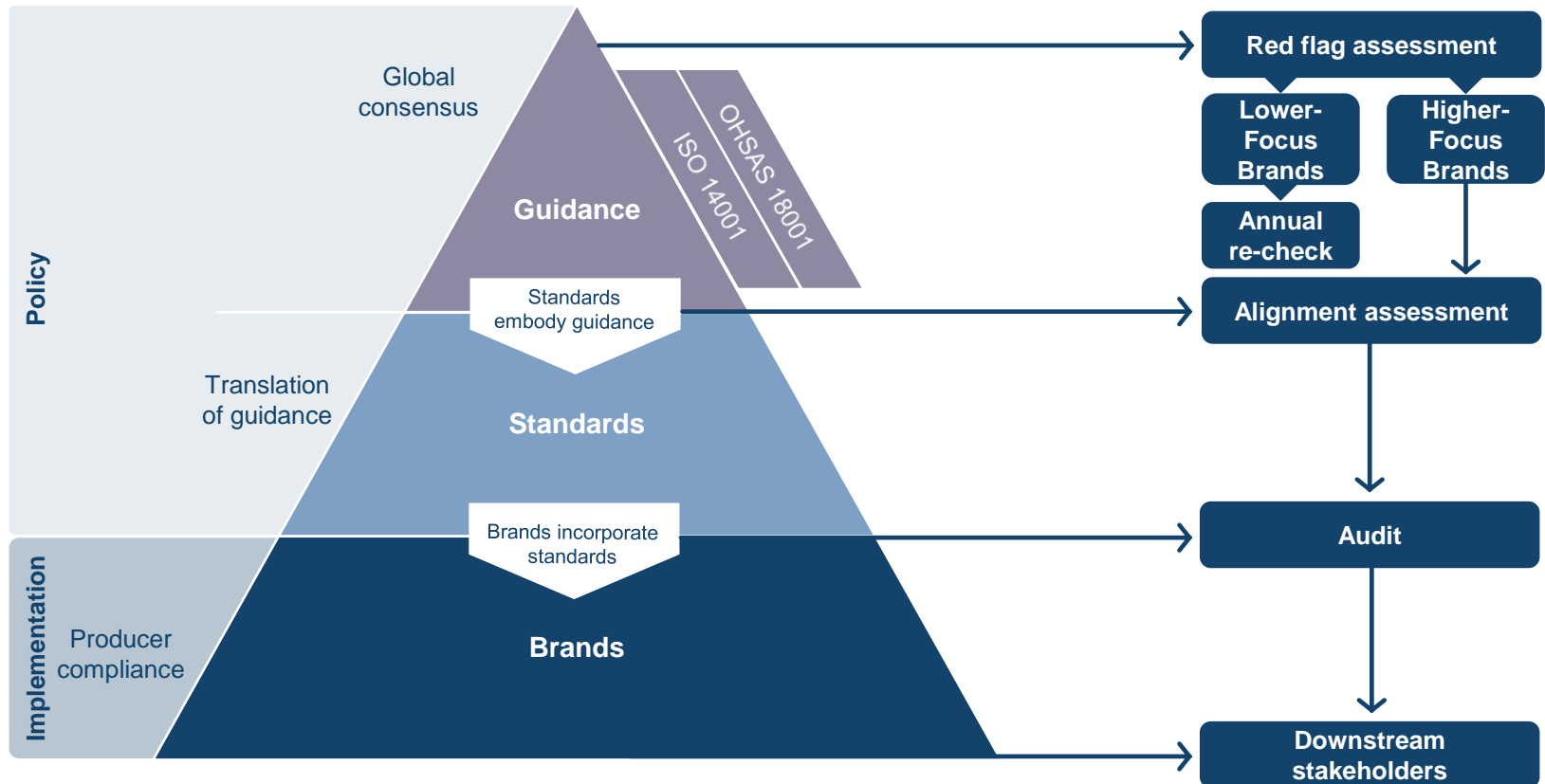
Defined process for higher-focus brands



- Alignment assessment re-performed if either guidance or standards change
- Alignment assessor not permitted to conduct standards audit for minimum of two years following alignment assessment

Proposed LME framework

Designed to enhance and support existing initiatives rather than complicate



Timeline for implementation and compliance

	Cobalt	Tin	Copper and others
Transitional Provision Commencement Date	3Q19	n/a (only applicable to cobalt)	n/a (only applicable to cobalt)
Responsible Sourcing Disclosure Date	3Q19	3Q19	3Q19
Red Flag Assessment Date	n/a (due to status as Automatic Higher-Focus Metal)	n/a (due to status as Automatic Higher-Focus Metal)	4Q19
Standard Identification Date	4Q19	4Q19	4Q20
Standard Alignment Assessment Date	2Q20	2Q20	2Q21
Brand Compliance Date	4Q20	4Q20	4Q21
ISO Compliance Date	4Q21	4Q21	4Q21

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