

Disclosure Guidance Consultation Response

Date: Consultation closed 19 September 2025

Respondent: Instituto Escolhas

Organisation's Role in Gold Supply Chain: Civil Society/NGO

LBMA Public Consultation on Amended Disclosure Guidance | Instituto Escolhas'

Comments and Suggestions | September 2025

Instituto Escolhas welcomes the opportunity to contribute to the LBMA's public consultation on the Amended Disclosure Guidance. As a Brazilian-based research institute that produces studies and policy proposals on mining and sustainability, we recognize the importance of advancing transparency in gold supply chains. We present our comments and suggestions below.

- Section 1 – LBMA updated Disclosure Guidance presents important advancements regarding transparency, and it is positive that enhancements will begin earlier, on 1 January 2026, rather than 2027.
 - Section 1 – Page 4: Although this is a step forward, there is still room to increase transparency, as the information currently does not allow for identifying if refiners are exposed to conflict and high-risk areas and operations. The information on the origin of gold, which is the central part of transparency and traceability, is still too aggregated. With that in mind, and also understanding confidentiality concerns, we would suggest adjusting the text on Page 4 – Instead of “All locations (countries) from which mined material is received (“Mined Material Locations”)“ change to “All locations (countries and provinces or municipalities) from which mined material is received (“Mined Material Locations”)”.
 - Section 2 – Page 11: The refiner transparency roadmap is indeed a very positive advance. It is excellent to disclose all WGC miners and mines; the same level of disclosure should be pursued for all miners and mines, not just those of WGC.
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Although knowing the country of origin of all mined material is a step forward, we seek, as a minimum disclosure, details on provinces and/or municipalities of origin. With that in mind, we would suggest adjusting the text on Page 11 – Instead of “2. Mined Material Locations: names of countries from which other mined material is received [...]” change to “2. Mined Material Locations: names of countries and provinces or municipalities from which other mined material is received [...]”.

- Section 2 – Page 11: Determining red flag locations might be tricky. As specified in the guidance, there are legislations and lists indicating countries that should be under scrutiny. However, they are not comprehensive and leave important areas out of scope, e.g., Brazil, a country that complies in several areas but where substantial amounts of illegal gold have been reported and linked to severe human rights violations and environmental damage. We understand the need for standard methodologies and a database to allow consistent reporting; however, we strongly advise against the use of pre-defined lists of countries only. Importers and refiners should undertake know your counterparty (KYC) assessments for all origins. In Brazil, red flags are particularly associated with ASM, which, by law, sells gold to aggregators, who in turn export it from various airports. There is no list of red flag jurisdictions, but red flags would be associated with ASM aggregators and traders. That said, and considering OECD guidance and FN59, we would suggest adding to the text on Page 11, among the red flag locations, the countries that share the Amazon rainforest – adjust to include “*Determination of OECD red flag locations must be made using the following sources for consistent reporting: [...] Countries that share the Amazon rainforest.*”

- Section 3 – Page 13: As the Country-of-Origin Report is not publicly available but directed to the LBMA only, it should disclose, by country, the supplier/exporter as well as the miner and mines of origin. This would enhance the possibility of monitoring high-risk suppliers from countries that have not yet been classified as CAHRA but are high-risk for gold, such as Brazil.

We thank you for the opportunity to contribute to this public consultation and remain at your disposal for constructive dialogue on the issues discussed.

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Q1. What best describes your organisation's role in the gold supply chain?

Civil Society/NGO

Q2. Are you responding on behalf of an organisation?

Yes

If yes, please specify:

Instituto Escolhas

Q3. How clear are the proposed amendments to the Disclosure Guidance (DG3), including the new public disclosure requirements?

Very clear

Q4. Is the distinction between public disclosures (DG3) and confidential reporting to LBMA (RGG9) clear?

Yes

Q5. What operational or commercial impact do you anticipate from publicly disclosing the following?

- WGC mines and mining companies
- Countries of origin for mined gold
- Identity of the Refiner and local exporter in OECD red-flag locations

Q6. Do you anticipate any legal, reputational, or security risks in publicly disclosing the identity of local exporters and refiners in red-flag locations (as defined by OECD FN59)?

If yes, please describe the nature of the risk:

No

Q7. Do you foresee any technical or practical challenges in applying the OECD FN59 definition and lists (e.g. EU CAHRA, Dodd-Frank, AML lists) to determine red-flag locations?

Yes

Please explain your answer: The challenge is that pre-determined lists leave high-risk areas out of scrutiny. Determining red flag locations might be tricky. As specified in the guidance, there are legislations and lists indicating countries that should be under scrutiny. However, they are not comprehensive and leave important areas out of scope, e.g., Brazil, a country that complies in several areas but where substantial amounts of illegal gold have been reported and linked to severe human rights violations and environmental damage. We understand the need for standard methodologies and a database to allow consistent reporting; however, we strongly advise against the use of pre-defined lists of countries only. Importers and refiners should undertake know your counterparty (KYC) assessments for all origins. In

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Q8. Is the proposed implementation date of 1 January 2026 for DG3 feasible for your organisation?

If no, what alternative timeline would you suggest?

Yes

Q9. What support would help you meet the DG3 disclosure requirements effectively?

Template for OECD FN59 disclosures

Q10. Do you support LBMA's objective of increasing transparency for red-flag and high-risk sourcing locations?

Strongly support

Q11. Further comments or suggestions on the proposed disclosure amendments or their implementation:

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