

PRESS RELEASE

More than 700 artisanal miners access a bank account and receive premium payments for responsible gold production thanks to a PPP between Switzerland and Colombia

- For the second time, Chocoan gold panners receive their "premium" of \$0.70 for every gram of responsible gold exported to Switzerland. In total they will get about \$53,000.
- In addition to the 366 miners who received the "premium" for Responsible Gold in 2019, 355 more will be rewarded in 2020.

Bogotá (Colombia), 14 December 2020. For the first time, a total of 721 artisanal gold panners from the municipalities of Istmina, Quibdó and Condoto now enter the formal financial sector. By adhering to the Better Gold Initiative, these miners access a financial incentive for fully meeting responsible social and environmental criteria of the initiative and exporting their gold to Switzerland. The group of gold miners receives a total of \$52,490 through a digital transaction which also symbolizes their entry into the Colombian financial sector.

Each of the miners receives a "premium" of 0.70 dollars for every gram of gold exported to Switzerland, which is provided by Chopard watches and jewelry brand, affiliated to the Swiss Better Gold Association (SBGA), as part of their contribution to the Better Gold Initiative (BGI). The incentive is distributed to the 721 artisanal miners according to their production & export statistics in the first half of 2020. With last year's premium payment, a total of \$70,797 dollars of incentives have been granted to the artisanal miners of Choco. This reward is granted to the gold panners fulfilling with various BGI criteria such as legal requirements for gold extraction in the country, implementation of artisanal extraction techniques (including the non-use of mercury and machinery), protection of biodiversity, respect for human rights, absence of child labour and the schooling of the minors in their charge, among others.

"The Initiative is a Public Private Partnership (PPP) between the Swiss Government and the Swiss Better Gold Association. Together we promote the traceability of responsible gold from mine to market," explained the Swiss Ambassador to Colombia, Yvonne Baumann. "On one hand, we stimulate the purchase of responsible gold by jewelers and watchmakers in Switzerland and on the other hand, through a premium incentive, we encourage the production of gold that meets social and environmental criteria in partner countries like Colombia," she added.

Within the group of artisanal miners rewarded this time, there are 343 women and 378 men, who are economically dependent on artisanal gold mining in the Chocó, a region known for alluvial gold production called "barequeo". It is estimated that more than 18,000 people are engaged in this activity in the department.

The Initiative has intensively collaborated with its partners C.I. Anexpo and Atabaque to overcome limited access to financial services to barequeros, one of the most important bottlenecks in the artisanal and small-scale mining. Thomas Hentschel, global director of the Better Gold Initiative, said: "Traditionally, purchases from gold panners are made in cash as there is no one to open a bank account for them. Better Gold Initiative seeks to formalize the whole chain and ensure full traceability of both the gold and the transactions. This is the reason why we have made a partnership with fintech Movii to give access to alternative financial products to the gold panners we work with. We are also carrying out financial education activities, since for many of these people it is the first time they use this kind of financial product. Both payments for locally purchased gold, as well as the premium, are made on Movii

accounts of barequeros."

From his side, Hernando Rubio, CEO of Movii, highlighted the importance of supporting this type of financial inclusion projects in all industries so to increase access to this type of financial services. "Colombia still faces an important challenge of financial inclusion and Movii's role as the country's leading Specialized Society in Electronic Deposits and Payments, is to give access to all communities which so far were lagging behind and did not have a simple and user-friendly access to a financial product."

The purchase of gold from Chocó's barequeros and its export continued even during the period of confinement implemented by the National Government in the wake of the COVID-19 pandemic. Diana Culillas, secretary general of the SBGA, said that for the Association this second payment of incentive demonstrates important achievements: "The most important is the fact that barequeros who adhere to our initiative also have access to the formal financial services. Having this type of access is very important and has an illustrative role for the construction of other value chains similar the one in Chocó. It proves that the artisanal sector can be a responsible supplier of gold, fulfilling the expectations of integrality and transparency required in modern value chains." According to Culillas, another important achievement is the fact that this supply remained operational despite a challenging year, heavily affected COVID related disturbances.

Responsible and sustainable gold production

"Since 2013 and as part of our 'Journey to Sustainable Luxury', we felt it was essential to promote sustainability in the luxury industry by giving priority to supply solutions such as the one featuring barequeros, which we joined last year. This value chain allows us both to receive responsibly mined gold - essential for the manufacture of our creations - and help to improve the living conditions of these gold miners," explained Caroline Scheufele, copresident of Chopard.

Each artisanal miner has a production limit of 420 grams per year, established by Colombian law and controlled by the National Mining Agency (ANM), this is another requirement that must be met by those who are part of the Better Gold Initiative.

One of them is José Cristino Perea Mosquera, who received the highest premium of US\$367, thanks to the 594 grams he has exported since August 2019. José lives in Condoto. He has dedicated himself to this work for 40 years and belongs to a family of several generations of artisanal miners. José says that, from a very young age, he learned that "the important thing is to work without any chemicals". He assures that this is what he has taught his children as well. In addition to the incentive, he received this year another good news: for the first time, he will be able to become part of Colombia's formal financial system. "I never imagined I could have a bank account. This is very good," he exclaimed.

The strict monitoring and verification of the social and environmental practices of gold extraction has allowed the Choco gold miners to become the first link in a traceable and transparent international chain through a local commercial ally, C.I. Anexpo, a trading company that offers the artisanal miners competitive market prices and conditions. "The inclusion of barequeros in such a service is a challenging objective. To address it, we have developed a comprehensive due diligence and traceability system which includes documentary checks, biometric identification applied to each transaction of each single artisanal miner selling its gold. Additionally, we also contribute to the promotion of long-term community relations through collaboration and local presence of Fundación Atabaque," explained Paula Gallo, assistant manager of C.I. Anexpo.

More about:

- the Better Gold Initiative: <https://ororesponsable.org/>
- the Swiss Responsible Gold Association (SBGA): <https://www.swissbettergold.ch/>