

Valcambi statement on reports by the Berne Declaration and SOMO on responsible sourcing practices from Burkina Faso

On 10 September 2015, the Swiss based civil society organization, the Berne Declaration¹, published a report entitled “A Golden Racket – the True Source of Switzerland’s Gold²”, implicating the Swiss refiner, Valcambi. Valcambi immediately took actions in light of the allegations. In October 2015 Valcambi engaged Estelle Levin Ltd.³ (ELL), a specialist consultancy dedicated to responsible mining and sourcing, to ensure its activities are guided by specific expertise and knowledge in the arena of due diligence when sourcing from Artisanal and Small-Scale Mining (ASM), and the various codes that guide this.

Valcambi’s first action was to immediately suspend all refining activities regarding imports of gold from Togo. Valcambi has since begun an investigation into the allegations made in the report. Valcambi will make a decision about continuing its sourcing from Burkina Faso pending the findings of this investigation.

Second, Valcambi has begun a comprehensive review of the efficacy and relevance of its KYC, KYP and due diligence systems for sourcing from Artisanal and Small-scale Mining (ASM) and their conformance with internationally recognized guidelines and voluntary codes with particular reference to the LBMA Responsible Gold Guidance⁴ and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk areas and its Supplement on Gold⁵, and the Responsible Jewellery Council Code of Practice⁶.

Third, Valcambi is taking measures to improve its management systems for due diligence on ASM sources in line with the findings of this review. Once these improvements are made, Valcambi intends to expand its sourcing from ASM. Valcambi is already sourcing Fairtrade certified gold from South America.⁷

Finally, Valcambi has embarked on a project to develop a Framework for Responsible Sourcing from ASM. We intend to engage a wide range of stakeholders for this project to ensure it delivers positive impacts for ASM and producer nations whilst being feasible for industry. Valcambi intends to make this framework open source to enable other refiners to source responsibly from ASM, and to enable downstream industry to take confidence in keeping ASM in their supply chains.

Valcambi will release a report to stakeholders of the findings of its investigations and due diligence improvements in due course. Valcambi is duly appreciative of the understanding that this process will take time to complete and fully implement.

Further to the Berne Declaration report’s release, Valcambi was contacted on the 28 October by a Dutch civil society organization ‘The Centre for Research on Multinational Corporations’ (SOMO)⁸ regarding their own report on child labour in gold mining in which it has alleged supply chain linkages between mining locations where child labour is documented and refineries from which electronics companies source. Valcambi was given the opportunity to comment on a number of ‘extracts’ only, as opposed to the full report, which it did so comprehensively in an email to SOMO on 12th November. These comments can be seen in the report mainly as footnotes to the text and we would point interested parties toward these. Key points include:

¹ <https://www.bernedecaration.ch>

² https://www.bernedecaration.ch/media/press-release/largest_swiss_refinery_purchases_gold_extracted_by_children/

³ <http://www.estellelevin.com>

⁴ <http://www.lbma.org.uk/responsible-gold>

⁵ <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

⁶ <http://www.responsiblejewellery.com/rjc-certification/code-of-practices-certification13/>

⁷ <http://www.fairgold.org>

⁸ <http://somo.nl>



- Berne Declaration has not yet provided us with any substantiated proof that:
 - a) the mines they allege we source from are the mines we actually sourced from at that time. (According to our records the names of the mine sites they allege we source from do not match the names on the mining licences provided by the mining entity/ies from which we previously sourced in Burkina Faso.
 - b) Consequent to a) above, the allegations of child labour on the mines from which we source are unsubstantiated and rather based on assumptions that conditions are the same at all mines in Burkina Faso.
 - c) According to our traceability records on our 99.999 gold used for the electronic industry none of this gold came from Burkina Faso or from artisanal or small-scale miners.

Consequent to all of the above, we question the accuracy of Figure 19 in the SOMO report.

Regarding sourcing from ASM

Valcambi shares the position of the OECD⁹ that “responsible gold also means sourcing responsibly from conflict areas and supporting artisanal miners in their efforts to meet the new demands of the market.”¹⁰ As one of the leading refiners implementing the OECD Due Diligence Guidance across its supply chains, Valcambi is committed to continual improvement of its systems and procedures for carrying out due diligence on these supply chains. Due diligence is a process which functions upon the commitment, support, and accountability of all stakeholders to competently fulfil their roles in the overall system. Valcambi is committed to better understanding the ways and roles through which local communities, governments, regional and national bodies, civil society, and the private sector can work together to make a real difference with a wide range of issues and challenges facing the industry at large.

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⁹ <http://www.oecd.org/corporate/mne/mining.htm>

¹⁰ Gillard and Nieuwenkamp, “Responsible gold also means supporting livelihoods of artisanal miners”, 24 March 2015. At <http://oecdinsights.org/2015/03/24/responsible-gold-also-means-supporting-livelihoods-of-artisanal-miners/>. (23.11.2015)