

## Swiss Better Gold – Sourcing Model for Processing Plants in Peru

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### 1. Introduction

Swiss Better Gold's (SBG) processing plant sourcing model creates a **scalable pathway** for responsibly integrating ASGM into formal supply chains, leveraging the central role processing plants can play for gold supply chains to achieve traceability, ESG compliance, and market access for small-scale miners.

### 2. Role of Processing Plants in Responsible Gold Supply Chains

Processing plants act as **key intermediaries** in the artisanal and small-scale gold mining (ASGM) supply chain by:

- Aggregating gold from multiple producers, achieving economies of scale.
- Offering industrial, mercury-free recovery processes with proper environmental management.
- Enabling the integration of large numbers of ASGM producers into responsible gold supply chains.

SBG engages directly with processing plants to improve:

- Occupational health and safety and environmental management practices in both processing plant operations and their ASGM supplier networks.
- Due diligence and traceability systems at the processing plant.
- Extraction methods and formalisation in the processing plant's supplier networks.

The model aligns with **international standards** (LBMA Responsible Sourcing Programme, LBMA ASM Toolkit) and adapts them to the realities of ASGM supply chains in Peru.

### 3. Accreditation Process for the Processing Plant

SBG's sourcing model works through the processing plant as the central partner and builds on the guiding principle of **continuous improvement**. Main features include:

#### Requirements related to due diligence and traceability

- Processing plants must conduct due diligence on all ASGM suppliers, using the **LBMA ASM Toolkit**, and conduct site visits to supplier mines.
- Processing plants must **segregate SBG-eligible gold** (Step 1 or Step 2) from all other sources; non-compliant gold is prohibited in SBG supply chains.
- Processing plants must commit to gradually obtain the **Responsible Minerals Initiative** (RMI) certification in addition to SBG accreditation.

#### Requirements related to ESG compliance of the processing plant

- Processing plants must meet the **27 SBG sourcing criteria**.
- Processing plants must install **mercury capture** and safe storage systems. Moreover, a three-year Exit Plan phases out purchases of tailings that may contain mercury, shifting ASGM suppliers toward direct mineral sales to processing plants.
- SBG monitors the processing plant's pricing system to ensure ASGM **suppliers receive fair value** without excessive discounts and based on a transparent approach.

### Requirements related to improving ESG performance of suppliers

- Processing plants, with support from the SBC team on the ground, provide **technical assistance to the ASGM suppliers**. Based on information gathered through the LBMA toolkits and site visits to ASGM supplier mines, processing plants, together with SBC, develop and implement Action Plans to assist ASGM suppliers in improving ESG performance. The joint Action Plan defines support measures in formalisation, health and safety conditions and environmental practices for ASGM suppliers. Action Plan implementation is a prerequisite to progress with the accreditation of the processing plant and the ASGM suppliers.

#### 4. Accreditation Process for ASGM Suppliers

SBC integrates suppliers through a **stepwise accreditation** system tailored to ASGM realities:

Step	Requirements
1	ASGM supplier approval via processing plant's due diligence; LBMA ASM Toolkit application initiated.
2	ASGM supplier receives technical assistance as per Action Plan on topics related to formalisation, health and safety conditions and environmental practices, achieving measurable ESG improvements. The Action Plan is related to the SBC sourcing criteria, which have been adjusted to the realities of the suppliers and their operations in line with SBC's proportionality principle.
3	Continued Action Plan implementation; further gap-closing over time.

- Accredited ASGM suppliers earn **SBC premiums** to reinvest in operational improvements, social and/or environmental projects that contribute to improving these ASGM operations and miners' practices through a catalogue of ESG projects. The implementation of these projects is supported by the processing plant and the SBC team.
- ASGM suppliers producing  $\geq 8$  kg/month must comply with the traditional SBC sourcing strategy.

#### 5. Incentives

SBC provides incentives for:

- Processing plants** – access to responsible international markets, technical assistance and capacity-building, and recognition.
- Suppliers** – premium for continuous improvement, technical assistance and capacity-building, and ESG improvement opportunities.

#### 6. Verification & Credibility

A **third-party verification framework** ensures compliance with SBC sourcing criteria, effectiveness of the processing plant's due diligence and proper implementation of Action Plans with ASGM suppliers.

Ultimately, the **continuous accompaniment by SBC teams** combined with external verifications ensures traceable, responsibly sourced gold and continuous ESG improvement at processing plants and their ASGM suppliers.

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For a copy of the full model, please contact [info@sbga.ch](mailto:info@sbga.ch)