

Swiss Better Gold: Sourcing Strategy for Subsistence Mining in Colombia - Summary

1. Introduction

Subsistence mining in Colombia, known as *barequero*, is an ancestral practice that sustains rural economies and generates economic opportunities in historically marginalised territories.

Swiss Better Gold's sourcing strategy for subsistence mining in Colombia creates a scalable pathway to responsibly integrate subsistence mining into formal supply chains, leveraging the key role that local exporters play in gold supply chains to achieve traceability, compliance with ESG criteria, and market access for this type of producers.

This sourcing strategy operates through the local exporter as the central partner and is grounded in the guiding principle of continuous improvement. Both the local exporter and the subsistence miner must meet the requirements detailed below in order to ultimately be accredited as Swiss Better Gold producers and exporters (Step 2).

2. SBG Accreditation of the Local Exporter

2.1. Eligibility Requirements

The local exporter must meet the following eligibility requirements:

- Commit to complying with SBG sourcing criteria (14 out of 27 criteria applicable to local exporters).
- Have the capacity to segregate mineral (SBG vs. non-SBG gold).
- Accept only non-processed, mercury-free gold.
- Sign a cooperation agreement with SBG prior to the start of the supply chain.

2.2. Step 1 Obligations

In Step 1, the local exporter must demonstrate:

- **Legitimacy of its organisation:** full legal documentation, due diligence on its aggregators or buying points. These must be approved by SBG.
- **Mineral traceability:** records validating the legal status of subsistence miners (RUT, Génesis, ID), validation of volume caps, sales certificate,

photo/video of the purchase process of non-processed mineral, engagement forms.

- That it does **not directly or indirectly support armed conflict**, through a system for the prevention of Money Laundering, Terrorism Financing, and Financing of the Proliferation of Weapons of Mass Destruction (ML/TF/PWMD) such as a SAGRILAFT system, and records of its implementation.
- Respect for **human rights** substantiated by an internal policy or procedure.
- Its commitment to a **continuous improvement plan**.

2.3. Obligations in Step 2

In Step 2, the local exporter must demonstrate:

- Compliance with all **legal obligations** to conduct commercial activities,
- Analysis of the **feasibility of an RMI certification** and, where possible, initiation of the certification process.
- That it has a **traceability system** that allows each transaction with subsistence miners to be identified. It establishes and shares reports with each export and monthly reports on the engagement with subsistence miners. Accepted purchases from each individual subsistence miner are up to a maximum of 105 grams per person / per month.
- The existence of **internal policies and systems** covering occupational health and safety; anti-corruption; gender equality; freedom of association; and security and human rights (Voluntary Principles on Security and Human Rights).
- **Enhanced due diligence**: application of the OECD Guidance and security practices for gold.

In general, all policies or procedures required of the Local Exporter must also be required of allied aggregators.

3. Obligations of Subsistence Miners (*Barequeros*)

Swiss Better Gold will apply its sourcing criteria to subsistence miners in accordance with the national legal framework. This entails, firstly, adhering to the current legal definition of subsistence mining; secondly, taking into account the applicable production thresholds; and, finally, verifying compliance with the regulatory requirements necessary for miners to be

formally recognised within this category. All of this will be carried out with due consideration for the capacity and scale of their operations.

3.1. Obligations in Step 1

In Step 1, the subsistence miner must:

- Demonstrate their legitimacy as a subsistence miner and the origin of the material through their active registration in Génesis.
- Sign an informed consent form to allow SBG to contact them at any time.
- Declare that the gold does not come from third parties and that they are not associated with the worst forms of child labour and/or human rights violations.
- Sell gold in its natural state (non-processed gold).

3.2. Obligations in Step 2

To transition to Step 2, the subsistence miner must:

- Have completed the biometric registration process and signed consent for a background check.
- Have made at least 3 sales in the previous quarter.
- Have participated in awareness-raising/training activities implemented by the Local Exporter (and its aggregators) and SBG on topics including occupational safety, child labour, gender, waste management, and armed conflict.
- Have received and use a personal protective equipment item.

4. Monitoring, Verification, and Miner Loyalty

Beyond compliance with ESG criteria, the sourcing strategy for subsistence miners creates tangible incentives that strengthen the relationship between *barequeros* and the formal supply chain. Each gram of gold exported under the SBG program is subject to a premium of USD 1.35, distributed across three funds: Technical Assistance, Social and Environmental Projects, and Verification Costs.

The monitoring cycle conducted by SBG and independent third-party verification carried out every two years ensures the transparency and credibility of the system. Throughout their participation in Swiss Better Gold, the local exporter and its aggregators receive ongoing support and

accompaniment from the implementing partner. Monitoring activities such as desk reviews and on-site visits are conducted one to three times per year.

Finally, the strategy includes actions aimed at miner loyalty, understood as the building of relationships based on trust and mutual benefit. These actions include support for formalisation, access to microcredit, financial inclusion, reputational incentives, and community projects.