

“Who Cares Wins”, ESG Twenty Years After

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In 2004, the UN Global Compact released the report “Who Cares Wins”, which probably for the first time, set the foundations for international organisations to address Environmental, Social and Governance (ESG) topics as an essential part of their strategy in a changing world.

Now in 2024 – twenty years later – we must ask, is this report, together with the 2004 “Recommendations by the financial industry to better integrate environmental, social and governance issues in analysis, asset management and securities brokerage”, still valid?

No doubt that in twenty years many changes occurred, but the key principle remains: more sustainable

societies will exist only if all the different stakeholders contribute towards a better world. While the UN Global Compact laid out the various principles, it is up to each organisation to translate these into real actions. Now, at this twenty-year anniversary, it is the right moment to look back and see how Valcambi has implemented the principles. The key words for us have been to listen, and especially, to “care”.

We took care of the need to make available to the market, starting from the financial sector, a product that was traceable and sustainable. It took time to convert the principles into processes and to set up the necessary technologies. However, in 2008 we released the “Valcambi Green Gold” ® – fine gold that was traceable to its origin and sourced from mines adopting the highest standards available at that time, in terms of working conditions and environmental management. Traceability and precious metals origin has always been one of the cornerstones of Valcambi’s business principles. Over the years, we have introduced new technologies and tools to provide answers to those clients who want to know where the gold comes from and how it has been processed.

We especially address the Social and Environmental aspects with direct sourcing from artisanal and small-scale mines (ASM). Direct ASM sourcing contributes to the miners and the cooperatives, and it also has a strong impact on the communities surrounding the mines. Our direct relationship with miners allows stronger collaboration and enables us to support decent working conditions and environmental protection.

Nowadays, the origin of mined material is a mature process with well-renowned products. We offer not only the “Valcambi Green Gold” ®, but also segregated and traceable gold from ASMs, both certified and not certified. By doing so, we take care more directly not only of the downstream market needs and expectations, we also take care of the upstream value chain, providing the mining cooperatives and the surrounding communities with better market conditions, financing, and direct access to the market.

Our main efforts are now dedicated to the secondary feeds. Recycled gold is more eco-friendly than mined gold: not only is the mining process absent and transportation more efficient, but the refining process is also more efficient and has less of an impact on the environment, due to the reduced need for energy and chemicals.

At the same time, identification of the origin of recycled materials is more complex. The technological solutions that work for the primary feeds, which mostly rely on the analysis of the impurities included in the mined materials, are not sufficient for gold. This is because gold has a high purity and has been refined several times, often after being alloyed to produce 18 carats or even lower purity jewellery.

We are confident that there will be new solutions soon, and we are actively investing in research and development to achieve this target. To bridge this period until the technology is available, we have contributed to the development of software tools that allow the traceability of the upstream value chain while protecting the commercial-valued information of our business partners. Secure Data Storage (SDS) is one of these tools: it allows us to ensure that our gold supplier has performed Due Diligence which is in line with OECD guidance and that of other regulators (LBMA, LPPM, RJC, Swiss Governmental authorities), and is



complemented by verifications on-site, at the supplier and intermediate refinery premises, and corroborated by independent assurances. Some of these measures were introduced by Valcambi in 2014, ten years ago.

In taking care of the environment as well as the need of our downstream partners, some years ago we established a collaboration with independent advisors who developed a tool for reporting the ESG performances of the major mining companies and mining sites. This tool, in combination with a deep analysis of Valcambi's footprint, that since 2016 is calculated with the support of an independent advisor, allows our clients to make a precise calculation of their impact in CO2 equivalents of their products. In taking care of the expectations of clients looking for the minimum environmental impact, we now offer gold produced exclusively from recycled materials.

We have discussed the Environmental and Social aspects, but what about the Governance principles that were set out in 2004 – are they still valid? Yes, they are. And Governance expectations have also increased. A solid management system, with well-defined policies, roles, duties, effective controls, and related segregations to avoid any possible conflict of interest, are self-evident. Our organisation is independently audited several times a year by different auditors to ensure compliance with all the required and voluntary standards and regulations. In 2024, we received independent confirmation of compliance with the EU regulation on conflict minerals: we care and we take care of the needs of our downstream clients who directly or indirectly will introduce gold into the EU market.

