

# GOLD MINING IN YANOMAMI INDIGENOUS TERRITORY (TIY)

Illegal gold mining in the Uraricoera river  
in Yanomami Territory, January 2022

*Photo: Bruno Kelly/ISA*



Due to heightened security risks, this report contains anonymous quotations from indigenous leaders and community members, and CAFOD has purposefully not included any photos that could identify them in order to protect their identities.



# ILLEGAL GOLD MINING IN THE BRAZILIAN AMAZON – AN URGENT PROBLEM

- ! **Illegal and destructive gold mining is growing on an alarming scale in Yanomami Indigenous Territory (TIY).** CAFOD partners estimate that between 2018 and 2022, the area in TIY destroyed by mining reached more than 5,000 hectares – equivalent to more than 7,000 football pitches.
- ! **Gold mining has severe impacts on the health, livelihoods and environment of indigenous communities,** such as the Yanomami and Ye'kwana people. 16,000 indigenous people have been impacted by disease, violence, murders and displacement.
- ! **The UK is one of the biggest importers of Brazilian gold, and UK companies and investors are likely implicated due to their financing and trading in gold.** These companies have a responsibility to ensure they do not contribute to or profit from destructive gold mining.
- ! **The new Brazilian government has already taken initial steps to tackle illegal mining in Yanomami Indigenous Territory by launching a police operation to remove illegal miners.** Visibility and action by the international community are necessary to support the government's efforts to uphold indigenous rights, disrupt illegal gold mining infrastructure, repeal laws and policies that enable gold laundering, and improve traceability in the gold supply chain.



# GOLD MINING HAS SEVERE IMPACTS ON HUMAN RIGHTS AND THE ENVIRONMENT



Yanomami communal home or 'maloca' (top right) in Homoxi, TIY, surrounded by mining destruction

Photo: Bruno Kelly/ HAY

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**We want to see a ban on land invaders soon.** We want to live in peace. For a long time we have been suffering from our dirty water... The rivers where we drink water are dirty... This river over here is the source of our food, it's where we fish. This is where our fish come from, if I can't fish, what am I going to do?

**We want the whole world's leaders to look at us.** Talk to each other, discuss what has been happening to us... May all of you turn your eyes to us! We have been suffering along with the forest... Now the forest is dead... Our land is completely dead! So I ask you again all my leaders: come to our rescue! Right here where we live we are devastated. Just as the forest is devastated, so are we. Why are we damaged? **We've been devastated by mining.** We are all going through this all over our land, we want to open your eyes. They have wiped us all out.”

Yanomami leader, June 2021





Illegal gold mining pollutes the Couto Magalhães river for miles upstream in TIY

Photo: Bruno Kelly/ISA

## Yanomami under attack

Illegal and illicit gold mining in Yanomami Indigenous Territory (TIY) is growing fast. A recent report by Hutukara Yanomami Association (HAY), CAFOD's indigenous partner in Brazil, highlights the scale of human rights abuses and environmental destruction in TIY, in the Brazilian Amazon.<sup>1</sup> The scale of abuse includes:

- The mass destruction of forests using heavy machinery
- Assault and injury from mining invasions and conflict in indigenous lands
- A healthcare crisis, including increased cases of malaria and other infectious diseases
- Mercury poisoning of water and food sources.

<sup>1</sup> All evidence, unless otherwise stated, is from Hutukara Associação Yanomami Associação and Wanasseduume Ye'kwana (2022), *Yanomami Under Attack*. [https://acervo.socioambiental.org/sites/default/files/documents/yad00613\\_en.pdf](https://acervo.socioambiental.org/sites/default/files/documents/yad00613_en.pdf).



- After a huge campaign lasting 25 years, TIY was finally officially recognised by the Brazilian state in 1992. Celebration of the thirtieth anniversary of the demarcation of their land in May 2022 has coincided with the most critical situation the Yanomami and Ye'kwana have experienced in the last decade.

## Mining harms communities who live on the land

Gold mining has caused mass forced displacement and an increase in attacks against the Yanomami and Ye'kwana indigenous people. It is exacerbating the existing healthcare crisis and collapse in the health system by increasing cases of malaria and other infectious diseases which are spread by the incursion of miners on indigenous land. From 2019-2021 in the Kayanau health district, four children died from malnutrition, one teenager died from malaria, and seven people died after an attack by miners, three of them from gunshot wounds. 273 communities are impacted by illegal gold mining in Yanomami Indigenous Territory, equal to 16,000 people – 54 per cent of the total population.

## Mining also contaminates water with mercury, used to extract gold from the earth

Mercury's toxicity has a severe impact on communities' health, water and food sources, such as fish – one of the main sources of protein for indigenous communities.<sup>2</sup> A 2019 study found mercury in 56 per cent of the women and children in the Maturacá region, in the state of Amazonas.<sup>3</sup> Health conditions such as congenital malformations, neoplasms, and diseases of the nervous system, have all been reportedly caused by mercury poisoning.



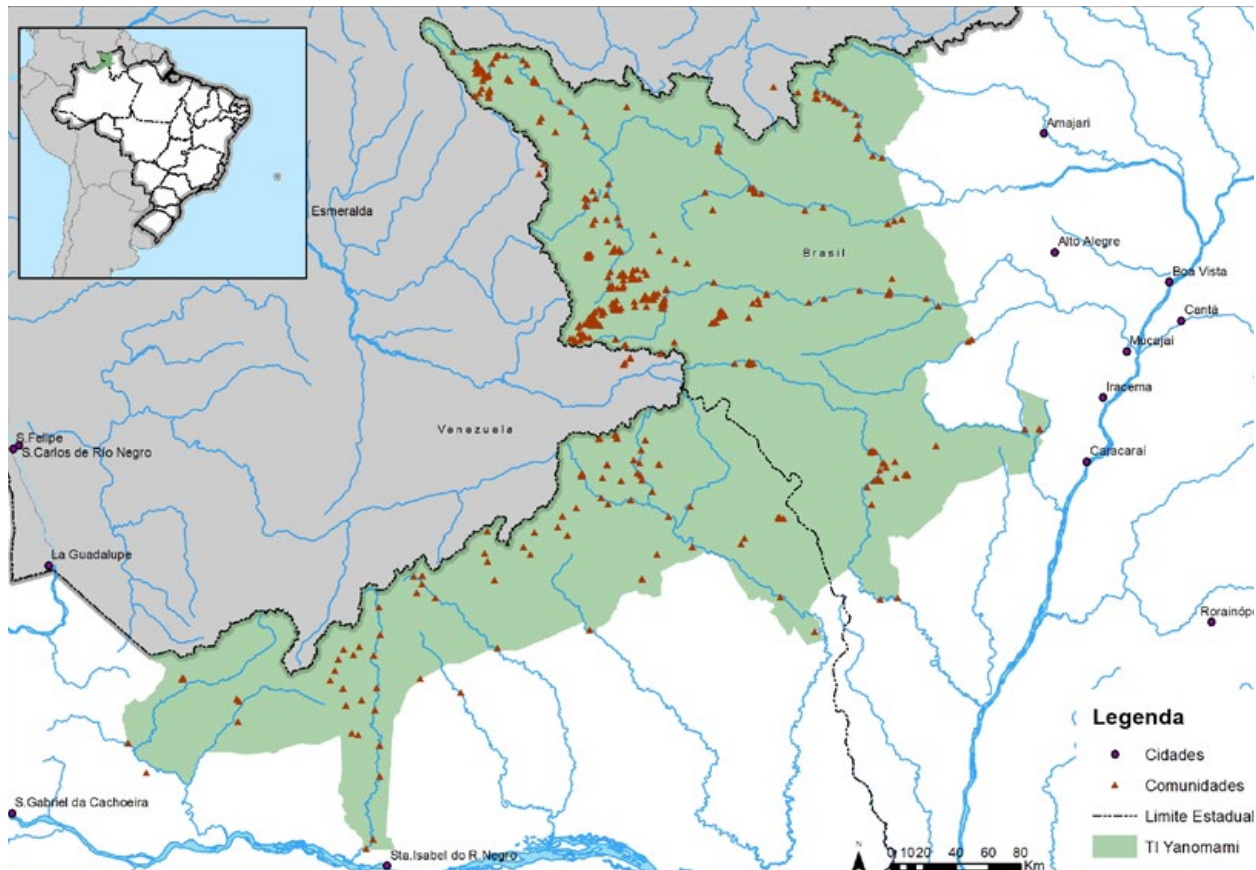
[Indigenous people] have historical traditions... they ask permission from the spirits to use that space where they're going to plant their crops... So I'll use that area for a maximum of seven years, and then I'll let the forest grow back, establishing another plot somewhere else. Everything and everyone respects and has a connection to nature to be able to do this...

**The non-indigenous world is an extractive world, while indigenous people conserve."**

**Indigenous leader, 2021**

<sup>2</sup> WWF (2021), *The Impact of Gold*: [https://www.wwf.ch/sites/default/files/doc-2021-11/2021\\_11\\_WWF\\_The%20Impact%20of%20Gold.pdf](https://www.wwf.ch/sites/default/files/doc-2021-11/2021_11_WWF_The%20Impact%20of%20Gold.pdf)

<sup>3</sup> Escola Nacional de Saúde Pública Sergio Arouca (2019), *Contaminação por mercúrio se alastra na população Yanomami*: <https://informe.ensp.fiocruz.br/noticias/46979>



29,500 Yanomami and Ye'kuana people protect tropical forest the size of Portugal in the Brazilian Amazon. Yanomami Indigenous Territory is the largest indigenous land in Brazil.

Source: Estevão Senra/ISA (Socio-environmental Institute)

## The attack on the Yanomami way of life is also an attack on the climate

The Yanomami and Ye'kwana people depend on and help to protect an area of tropical forest the size of Portugal (9.6 million hectares), maintaining the forest for future generations: they are the stewards of our common home. According to a 2022 report by CAFOD's partner, Socio-environmental Institute (ISA), indigenous lands alone are responsible for protecting 20.3 per cent of the forests in Brazil.<sup>4</sup>

From October 2018 to December 2022 the area destroyed by mining in TIY grew by an estimated 309 per cent, reaching more than 5,000 hectares.<sup>5</sup> It is now at its worst since TIY was demarcated and ratified thirty years ago. Deforestation in the Brazilian Amazon reached a fifteen year high in 2021: parts of the Amazon now emit more CO<sub>2</sub> than they absorb.<sup>6</sup>

<sup>4</sup> Socio-environmental Institute (2021), *As florestas precisam das pessoas*: <https://acervo.socioambiental.org/sites/default/files/documents/m9d00064.pdf>

<sup>5</sup> Globo.com (2023), *Illegal mining on The Yanomami Land grew 54% in 2022*: <https://g1.globo.com/r/r/ro/raima/noticia/2023/02/01/garimpo-ilegal-na-terra-yanomami-cresceu-54percent-em-2022-aponta-levantamento-de-associacao.ghtml>

<sup>6</sup> The Guardian (2021), *Amazon rainforest now emitting more Co2 than it absorbs*: <https://www.theguardian.com/environment/2021/jul/14/amazon-rainforest-now-emitting-more-co2-than-it-absorbs>

# WHY IS THIS HAPPENING?

## **An increasingly lucrative and sophisticated market**

Brazil has a history of violence connected to gold mining, linked to colonialism. This previously artisan trade has become a highly sophisticated, global operation, funded by big business and incentivised by the record price of gold, which hit its highest ever value in March 2022 at £1,652/ounce.<sup>7</sup> In December 2022, lawyers acting on behalf of rural farmers in another part of the Brazilian Amazon presented to the International Criminal Court a vast collection of evidence illustrating that a colossal, coordinated 'network' of politicians, gangs and business lobbyists are colluding to destroy the Amazon rainforest in pursuit of profit.<sup>8</sup> In TIY, the financial returns for miners are greater than the risks, and technical innovations allow more agile trading of gold on global markets (although some innovations also bring potential for greater transparency).<sup>9</sup>

## **Inadequate actions to tackle illegal mining operations in Brazil**

The regulatory framework in Brazil is highly conducive to gold laundering. Permits to mine gold legally in Brazil rely on the buyer's 'good faith' and a declaration of the gold's origin from the seller, and there is little accountability for buyers who acquire gold, whose origin is often fraudulently stated on invoices. Gold extracted by small-scale 'wildcat' miners is easily 'washed' or laundered in Brazil and exported to other countries by large traders as purportedly 'legal'.

During Bolsonaro's term in office from 2019-22, previous small-scale federal police operations to seize and destroy illegal mining infrastructure and to monitor the transportation of gold stopped completely in TIY. The new government now faces a huge challenge to remove an estimated 20,000 illegal miners, and ensure they do not re-enter in the long term. This depends on a strong legal framework, systematic policy change, and strengthening public institutions that are tasked with protecting indigenous rights and the environment.

## **Weakened environment and indigenous peoples' protections in Brazil**

Propelled by the agribusiness and mining lobbies, the Bolsonaro government dismantled environmental protection policies and pushed forward the so-called

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<sup>7</sup> Investing News (2022), *What Was the Highest Price for Gold?*: <https://investingnews.com/daily/resource-investing/precious-metals-investing/gold-investing/highest-price-for-gold/>

<sup>8</sup> Inside Climate News (2022), *Lawyers Press International Court to Investigate a 'Network' Committing Crimes Against Humanity in Brazil's Amazon*: <https://insideclimatenews.org/news/09112022/brazil-amazon-crimes-against-humanity/>

<sup>9</sup> World Gold Council (2022), *Gold Market Trends, Regulation, and Shifts*: <https://www.gold.org/gold-market-structure/gold-market-trends>



‘package of destruction’ in its National Congress: a series of bills that could be catastrophic for the Amazon and its people.<sup>10</sup>

- 1kg gold illegally mined represents over 300,000 US dollars in environmental damage.

**[Illegal gold that undermines forests and lives in the Amazon - YouTube](#)**

Source: Igarapé Institute

On 1st January 2023, President Luiz Inácio Lula da Silva of the Workers’ Party was inaugurated. In his first days of office, he created a Ministry of Original Peoples, appointing a female indigenous leader and MP as its head. At COP27, he pledged to prioritise the fight against deforestation, and has already implemented 6 key environmental measures, including: a decree re-establishing the PPCDAm (Action Plan for the Prevention and Control of Deforestation in the Legal Amazon) – the largest programme implemented by Brazil to combat deforestation. He has also revoked a decree that created the Pró-Mape programme to stimulate artisanal mining in the Amazon region.<sup>11</sup>

In late January 2023, after visiting Roraima state, he pledged to implement an emergency health plan to tackle the humanitarian health and hunger crisis in TIY caused by illegal mining, and launched an investigation into genocide of the Yanomami by the former government. By early February, Lula implemented a decree to launch a police operation to remove the illegal miners in TIY.

However, Congress is predominantly composed of Bolsonaro’s allies. To ensure that tackling illegal mining in TIY continues to be high on the government’s agenda and is not refuted by the pro-mining lobby, and that global demand for illegal gold ends, international visibility and political support to Brazil’s new government’s efforts must be strengthened.

## Failures by international governments to regulate the gold trade

The gold supply chain is very opaque with little reliable data on the origin of the metal and how various actors in the chain are involved. On its way to being refined, gold passes through many intermediaries where gold from different sources is mixed. The lack of transparency and traceability in the gold supply chain is exacerbated by gold being a high-value, intensely circulated commodity on international markets.<sup>12</sup>

Strong transparency and accountability measures in gold supply chains are essential – not only to ensure that gold imports into the UK are legal in the country of origin, but also to ensure that gold imports are not tainted with *any* human rights or environmental abuse.

<sup>10</sup> Forensic Architecture (FA) and the Climate Litigation Accelerator (CLX) (2022), *Gold Mining and Violence in the Amazon Rainforest*: <https://vimeo.com/740327871>

<sup>11</sup> UOL (2023), *Lula restabelece Fundo Amazônia e revoga decreto pró-garimpo de Bolsonaro*: <https://www1.folha.uol.com.br/ambiente/2023/01/lula-reestabelece-fundo-amazonia-e-revoga-decreto-pro-garimpo-de-bolsonaro.shtml>

<sup>12</sup> Profundo (2022), *Gold supply chain: From Brazil to the world*: <https://amazonwatch.org/assets/files/2022-08-30-profundo-report-gold-supply-chain.pdf>



# HOW IS THE UK INVOLVED?

## Gold is bought and sold often by UK companies as a financial asset and is used in products that we use every day

London is a global centre for gold trading and the Bank of England has one of the world's largest gold vaults – much of it stored on behalf of central and commercial banks.<sup>13</sup>

Gold is also used in many products that we use in the UK, such as electronics and jewellery. Illegal gold from the Brazilian Amazon has already been linked to electronics produced by Apple, Google, Microsoft and Amazon.<sup>14</sup> There is also no guarantee that companies in the UK jewellery industry are not linked to Brazilian 'blood gold'. Very few UK jewellery companies make any effort to disclose where their raw materials are coming from, nor how much is going into their products.<sup>15</sup>

## The UK is one of the biggest importers of Brazilian gold

It is impossible to prove that Brazilian gold imported by UK companies is not connected to abuse of indigenous peoples and the environment. However, almost half of gold exports from Brazil may be illegal<sup>16</sup> and the UK is the third highest global importer of gold from Brazil.<sup>17</sup> In 2020, gold was the number one export from Brazil to the UK.<sup>18</sup> Brazilian organisation Instituto Escolhas says: "countries that buy gold from Brazil, such as Canada, Switzerland and the United Kingdom... are still exposed to this risk".<sup>19</sup>

## UK-based voluntary standards on responsible gold are failing to prevent abuse

The London Market Bullion Association (LBMA) sets out responsible sourcing standards for globally traded gold bullion bars but its accreditation scheme has been criticised by NGOs for a lack of sanctions for violations, insufficient transparency in audit reports, and insufficient alignment with OECD Due Diligence Guidance on

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<sup>13</sup> Bank of England (2023), *Gold* <https://www.bankofengland.co.uk/gold>

<sup>14</sup> Amazon Watch (2022), *Complicity in Destruction V: Blood Gold* <https://amazonwatch.org/assets/files/2022-complicity-in-destruction-v-blood-gold.pdf>

<sup>15</sup> Reporter Brasil, *Exclusivo: Apple, Google, Microsoft e Amazon usaram ouro ilegal de terras indígenas brasileiras* <https://reporterbrasil.org.br/2022/07/exclusivo-apple-google-microsoft-e-amazon-usaram-ouro-ilegal-de-terras-indigenas-brasileiras/>

<sup>16</sup> Instituto Escolhas (2022), *New study of Escolhas reveals: almost half of the gold produced in Brazil may be illegal* <https://escolhas.org/novo-estudo-do-escolhas-revela-quase-metade-do-ouro-produzido-no-brasil-pode-ser-ilegal/>

<sup>17</sup> Greenpeace (2021), *Unearthed: Amazon blood gold likely being imported by the UK, researchers say* <https://unearthed.greenpeace.org/2021/09/01/amazon-blood-gold-likely-being-imported-by-uk-researchers-say/>

<sup>18</sup> Observatory of Economic Complexity (2022), *Brazil – UK trade*: <https://oec.world/en/profile/bilateral-country/bra/partner/gbr>

<sup>19</sup> Instituto Escolhas (2021), *Brazil exports illegal gold*: <https://www.escolhas.org/en/brasil-exporta-ouro-ilegal/>



Mining site in Xitei, TIY, where Yanomami women and children can be seen (bottom left).

Photo: Bruno Kelly/HAY



They [the miners] ask the adult women and older men for their daughters for sex... They speak like this to the Yanomami: **‘If you have a daughter and you give her to me, I will give you a large amount of food that you will eat! You will feed yourself!’**<sup>20</sup>

**Yanomami woman, 2022**

conflict minerals.<sup>20</sup> Crucially, there is no requirement for refineries to publicly report where they get their gold from.<sup>21</sup> The LBMA is currently being sued by Tanzanian human rights victims for wrongly certifying gold from the deadly North Mara mine as “responsibly sourced.”<sup>22</sup>

In 2022, gold linked to mining on indigenous lands was discovered in the supply chain of Italian company Chimet, despite holding certification from UK-based private voluntary standard, the Responsible Jewellery Council.<sup>23</sup>

These voluntary certifications and standards are failing to prevent violations, and cannot be a proxy for government action to regulate supply chains. The process of seeking certification can help companies to identify risks and can have a role in the due diligence that companies should be conducting, but they cannot replace comprehensive supply chain due diligence.<sup>24</sup>

20 Reuters (2021), *EU should not endorse LBMA policing of gold refineries, rights groups say*: <https://www.reuters.com/article/us-eu-gold-lbma-idUSKBN2B1171>

21 London Bullion Market Association (2022), *Responsible Sourcing*: <https://www.lbma.org.uk/responsible-sourcing>

22 RAID (2022), *London gold market authority sued for certifying gold from Barrick's deadly Tanzanian mine*: <https://www.raid-uk.org/blog/lbma-london-gold-market-authority-sued-certifying-gold-barrick-deadly-tanzanian-mine>

23 Reporter Brasil (2022), *Ouro ilegal da Terra Indígena Kayapó termina em gigante italiana que fatura R\$ 18 bi*: <https://reporterbrasil.org.br/2022/02/ouro-ilegal-da-terra-indigena-kayapo-termina-em-gigante-italiana-que-fatura-18-bi-de-reais/>

24 SOMO (2022), *A piece not a proxy*: <https://www.somo.nl/a-piece-not-a-proxy/>



## The UK needs to clean up the supply chains and operations of British companies

The UK is failing to regulate companies using or selling Brazilian gold, despite stating the steps it is taking to address irresponsible sourcing in the gold supply chain.<sup>25</sup> The US is already planning to take tougher action to sanction companies linked to Brazil deforesters,<sup>26</sup> while the EU is currently introducing comprehensive new human rights and environmental due diligence legislation.<sup>27</sup>

The UK's Environment Act prohibits companies from using certain agricultural products associated with illegal deforestation in their supply chains, but it does not cover minerals like gold, and it insufficiently protects the people defending their forests.<sup>28</sup> We urge the UK government to strengthen its approach, heeding the recommendations of the 2020 Global Resource Initiative taskforce report:

*[A] focus on forests and land conversion should only be a first step – wider environmental and human rights impacts associated with commodity production and trade must also be addressed and the lessons extended to other food commodities and beyond.<sup>29</sup>*

British companies trading in gold have a responsibility to ensure the gold they use has not been sourced from illegal and destructive mining. There is no existing legislation to tackle the environmental and human rights impacts of the gold supply chain: we need tougher laws to prevent human and environmental abuse in supply chains. Lessons can be learnt from other laws, such as the EU's conflict minerals legislation (which already applies to Northern Ireland). While a step forward, this fails to include Brazil on its indicative list of high-risk areas and has weak traceability requirements.<sup>30</sup>

Jeremias airstrip occupied by illegal mining logistics in TIY. The previous health unit (top right) of the region has now been abandoned.

Photo: Bruno Kelly/ISA



25 UK Government (2021), *Human Rights & Democracy – The 2021 Foreign, Commonwealth & Development Office Report*: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1130821/human-rights-and-democracy-2021-foreign-commonwealth-development-office-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1130821/human-rights-and-democracy-2021-foreign-commonwealth-development-office-report.pdf)

26 Reuters (2022), *Exclusive: U.S. aims to sanction Brazil deforesters, adding bite to climate fight*: <https://www.reuters.com/world/americas/exclusive-us-aims-sanction-brazil-deforesters-adding-bite-climate-fight-2022-11-23/>

27 European Commission (2022), *Corporate Sustainability Due Diligence Directive*: [https://ec.europa.eu/info/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence\\_en](https://ec.europa.eu/info/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en)

28 Environmental Audit Committee (2022), *Written evidence submitted by the Catholic Agency for Overseas Development (CAFOD)*: <https://committees.parliament.uk/writtenevidence/111300/pdf/>

29 Global Resource Initiative taskforce (2020), *Final recommendations report*: <https://www.gov.uk/government/publications/global-resource-initiative-taskforce>

30 Dreikönigsaktion der Katholischen Jungschar and OFSE (2022), *Implementation of the EU Conflict Minerals Regulation in Austria: Assessment of the situation after the first year in full validity*: <https://www.oefse.at/publikationen/research-reports/detail-research-report/publication/show/Publication/umsetzung-der-eu-konfliktmineraleverordnung-in-oesterreich/>



# WHAT CAN THE UK DO TO STOP THESE ABUSES?



Brazil exports illegal gold, and we want to tell people who are buying gold not to buy it from Brazil. Because we're saying that that gold comes with Yanomami blood."

**Indigenous leader, 2022**

CAFOD urges an integrated approach to protecting nature, biodiversity and the rights of the indigenous people and local communities who are the custodians of global forests. We recommend that the UK government supports President Lula's efforts to remove the illegal gold miners from TIY and accompanies this support with action to prevent UK businesses from contributing to and benefitting from the trade in Brazilian 'blood' gold.

## Recommendations for the UK government

### **1. Work together with the new Brazilian government to prioritise protections for Yanomami and Ye'kwana peoples' lives, rights and lands**

The new Brazilian government is setting its political agenda for the future, including the first ever Ministry for Original Peoples – an essential vehicle for ensuring the protection of the Yanomami and Ye'kwana people and their land – and other policies to curb illegal mining in TIY. The UK must put its commitment to support human rights defenders into practice and continue to advocate for the rights of indigenous people as a priority in future meetings with the Brazilian government.<sup>31</sup> The UK should also provide financial support, for instance in the form of the Amazon rainforest protection fund, which has recently been re-established by President Lula.<sup>32</sup>

International platforms where the voices of indigenous grassroots organisations can be heard are crucial, and the UK government must prioritise taking action in response to these organisations' advocacy recommendations.

<sup>31</sup> UK government (2019), *UK support for human rights defenders*: <https://www.gov.uk/government/publications/uk-support-for-human-rights-defenders>

<sup>32</sup> Reuters (2022), *Brazil's Lula courts U.K., U.S. to join Amazon rainforest protection fund*: <https://www.reuters.com/business/environment/brazils-lula-courts-uk-others-join-fund-protect-rainforest-2022-11-29/>



## **2. Introduce new UK supply chain regulation: a ‘Business, Human Rights and Environment Act’**

This law should require companies to take reasonable measures to identify, prevent, mitigate and account for the actual and potential impacts of their activities on people and the environment, in the UK and globally. It should include effective sanctions and liability provisions and enable access to justice for victims. Such a law is supported by British business, investors and civil society, and polling indicates that four in five members of the British public would support a new law.<sup>33</sup>

## **3. Extend the Environment Act deforestation due diligence legislation to cover mined commodities including gold, and strengthen the legislation to secure the protection of indigenous people and local communities defending forests**

As a first step towards broader due diligence legislation (as per recommendation 2), the government could make significant improvements to the Environment Act deforestation due diligence provision, including to cover gold and other mined commodities, to align due diligence with international standards, to cover harmful legal as well as illegal deforestation, and to explicitly protect indigenous people and local communities.<sup>34</sup> The legislation should also be extended to the financial sector.

## **4. Support and constructively engage in negotiations for a UN Binding Treaty on Business and Human Rights**

A UN Binding Treaty on Business and Human Rights, under negotiation at the Human Rights Council since 2014, could help to prevent future human rights violations and environmental destruction and improve access to justice for people affected. It would complement a new Business, Human Rights and Environment Act and vice versa.

## **5. Make further clear and actionable commitments to tackle human rights abuse and environmental destruction in the gold supply chain**

The Department for Business and Trade must work together with the Department for Environment, Food and Rural Affairs and the Foreign, Commonwealth & Development Office, to make clear, public commitments to prevent companies and goods linked to illegal and destructive gold mining from operating and circulating on UK markets. Policy interventions could include traceability requirements for gold imports. Any actions targeting the gold supply chain must be coupled with broader due diligence legislation (as per recommendation 2).

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<sup>33</sup> Corporate Justice Coalition (2022), *Parliamentary Briefing – A Business, Human Rights and Environment Act*: <https://corporatejusticecoalition.org/resources/parliamentary-briefing-a-uk-business-human-rights-and-environment-act/>

<sup>34</sup> CAFOD (2022), *CAFOD response to DEFRA consultation: Implementing due diligence on forest risk commodities*: <https://cafod.org.uk/About-us/Policy-and-research/Parliamentary-submissions/Due-diligence-DEFRA>



## Recommendations for British businesses, investors and relevant associations

### 1. Ensure human rights and environmental due diligence across all operations, products and services, including their entire value chains

Due diligence should be carried out according to the standards set by the UN Guiding Principles on Business and Human Rights<sup>35</sup> and the OECD Guidelines for Multinational Enterprises.<sup>36</sup> It should include enhanced transparency and public reporting on the gold supply chain.

### 2. Stop sourcing gold or investing in gold from Brazil until the Brazilian government effectively enforces environmental and social legislation, successfully disrupts illegal gold mining infrastructure and removes miners, and systematically updates rules for the acquisition and sale of gold in Brazil to ensure its origin is controlled

A systematic update of these rules must include, at a minimum, clear criteria for the definition of mining activity in the law; the repeal of the Mining Permit regime (which allows widespread laundering of illegally mined gold), the repeal of Law 12.844/2013 (which deals with the transport and marketing of gold); and the implementation of an effective traceability system.<sup>37</sup>

As outlined in the UN Guiding Principles on Business and Human Rights, if a business enterprise lacks the leverage to prevent or mitigate adverse impacts and is unable to increase its leverage, it should consider withdrawing from the business relationship or activity. Due to the complexity of the supply chain and current difficulty of verifying gold as legal or not tainted with human rights and environmental abuse, it is imperative for British businesses and investors to withdraw their investments in Brazilian gold until these actions are taken.

### 3. The London Bullion Market Association should make changes to its Responsible Sourcing Programme on the basis of recommendations by international NGOs, including making public reporting on the countries of origin and the names of gold suppliers in high-risk locations an obligation for companies on their Good Delivery List

Recommendations can be found in a 2021 open letter from five human rights NGOs and corporate watchdogs.<sup>38</sup> Implementing these recommendations would enhance the social and environmental responsibility of those trading gold as a financial asset or commodity.<sup>39</sup> It could better enable companies to identify risks in the supply chain and to take action, as part of their ongoing due diligence.

<sup>35</sup> United Nations (2011), *Guiding Principles on Business and Human Rights*: [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>36</sup> OECD (2011), *Guidelines for Multinational Enterprises*: <https://www.oecd.org/corporate/mne/>

<sup>37</sup> For further detail on recommendations for the Brazilian Government, see Instituto Escolhas (2022), *X-ray of gold: more than 200 tons can be illegal*: <https://escolhas.org/wp-content/uploads/Ouro-200-toneladas.pdf> and Hutukara Associação Yanomami and Associação Wanasseduume Ye'kwana (2022), *Yanomami Under Attack*: [https://acervo.socioambiental.org/sites/default/files/documents/yad00613\\_en.pdf](https://acervo.socioambiental.org/sites/default/files/documents/yad00613_en.pdf)

<sup>38</sup> Society for Threatened Peoples, Global Witness, Fastenopfer, Swissaid and RAID, *Open letter to LBMA on concerns that Responsible Sourcing Programme fails to curtail human rights abuse and illicit gold in the supply chain*: <https://www.globalwitness.org/en/press-releases/open-letter-lbma-concerns-responsible-sourcing-programme-fails-curtail-human-rights-abuse-and-illicit-gold-supply-chain/>

<sup>39</sup> Global Witness (2021), *How gold trade data could be better used for due diligence*: <https://www.globalwitness.org/en/campaigns/natural-resource-governance/how-gold-trade-data-could-be-better-used-for-due-diligence/>



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