

# BLOOD GOLD

HOW THE WORLD'S MOST HIGH-VALUED COMPANIES IN TECHNOLOGY, ELECTRONICS, AND ELECTRIC CARS MAY BE BUYING GOLD EXTRACTED ILLEGALLY FROM INDIGENOUS TERRITORIES IN THE BRAZILIAN AMAZON

## Complicity IN Destruction V



Protest against mining in Indigenous territories during the Free Land Camp 2022.  
Photo: Mídia Ninja





Impacts of the illegal mining in the Munduruku territory (2019).

Photo: Matzilda Cruppe/ Amazon Watch / Amazônia Real

Maybe you're one of those people with the latest **Apple** iPhone in your pocket, driving your **Tesla** electric car. Or maybe you just want that cellphone and car. But did you know that, by buying those products, you could be aiding suppliers using gold that's illegally extracted from Brazilian Indigenous territories? Maybe you think changing brands could help? Not so fast. Just like Apple and Tesla, other major corporations like **Samsung, Microsoft, Intel, Sony, Volkswagen, Ford** and **General Motors** also have gold stained with Brazilian Indigenous blood in their supply chains. Part of this web of connections is presented in this briefer, a prelude to the fifth edition of the *Complicity in Destruction* series, produced by the Association of Brazil's Indigenous Peoples (APIB) and Amazon Watch.

Gold is used in electrical connections and circuit boards for a multitude of electronic products, including cell phones, laptop and desktop computers, the servers of tech giants, and in electric cars. A recent study commissioned by Amazon Watch<sup>1</sup>, and independent investigations from Repórter Brasil<sup>2</sup> found that the biggest companies from this sector are supplied by two refineries under investigation by Brazilian authorities: Italy's Chimet and Brazil's Marsam. **Chimet** has been named by Brazil's Federal Police as the buyer of gold extracted from clandestine mines in the Kayapó Indigenous Territory. **Marsam's** primary supplier (FD'Gold) has been accused by federal public prosecutors of causing

environmental damage in Munduruku and Yanomami territories as a result of its sourcing from illegal mines.

The impacts on the Amazon's highly preserved Indigenous territories – particularly those of the Yanomami, Munduruku, and Kayapó people – are immeasurable. The miners scour streams and riverbeds, causing deforestation and polluting critical freshwater resources with sediments and mercury, which is used to separate gold from other minerals. These activities have led to a rise in lethal illnesses<sup>3</sup> such as malaria, as well as brain, kidney, and skin afflictions caused by water poisoning. This is all in addition to social conflicts such as armed violence, drug trafficking, murder, and sexual predation of Indigenous women and children. As a result of this crisis these Indigenous communities are experiencing a multifaceted emergency, as their health, safety, territories, and cultural integrity are under relentless assault.

Brazil's President Jair Bolsonaro and his allies are working to approve Bill 191/2020, currently making its way through Brazil's Congress, which would allow mineral extraction in Indigenous territories. While this remains an illicit activity, the area occupied by illegal mining within Indigenous territories drastically increased by 495% between 2010 and 2020, growing from 58.43 hectares in 2016 to 2.409 hectares in 2021<sup>4</sup>.

1 | Profundo Research & Advice. Gold supply chain - From Brazil to the world. August 2022 <https://amazonwatch.org/assets/files/2022-08-30-profundo-report-gold-supply-chain.pdf>  
2 | Repórter Brasil. Exclusivo: Apple, Google, Microsoft e Amazon usaram ouro ilegal de terras indígenas brasileiras. 25.07.2022. <https://reporterbrasil.org.br/2022/07/exclusivo-apple-google-microsoft-e-amazon-usaram-ouro-ilegal-de-terras-indigenas-brasileiras/>  
3 | InfoAmazônia. Every person in three indigenous Munduruku villages in Pará is contaminated by mercury from wildcat mining. 26.11.2021 <https://infoamazonia.org/en/2021/11/26/indigenous-munduruku-contaminated-mercury/>  
4 | MapBiomás. "Área ocupada pela mineração no Brasil cresce mais de 6 vezes entre 1985 e 2020". São Paulo, agosto de 2021. "[Area occupied by mining in Brazil grows more than 6 times between 1985 and 2020]" [https://mapbiomas.org/en/area-ocupada-pela-mineracao-no-brasil-cresce-mais-de-6-vezes-entre-1985-e-2020?cama\\_set\\_language=en](https://mapbiomas.org/en/area-ocupada-pela-mineracao-no-brasil-cresce-mais-de-6-vezes-entre-1985-e-2020?cama_set_language=en)



Blood-stained gold at the protest held by Indigenous people during the Free Land Camp 2022.

Photo: Mídia Ninja

# TRACING GOLD

One of the biggest challenges of determining the origins of illegally-extracted gold is the **difficulty in tracing it**. Tracing gold presents innumerable challenges due to its very nature: a high-value, low-volume, hyper-manipulated, intensely circulated, and imperishable commodity makes it an easy target for smuggling and illegality. In addition, corruption and a lack of supply chain transparency make it virtually impossible to trace the movement of the precious metal around the world without the cooperation of the companies that source it and use it in their products.

Compounding this dynamic, Brazilian legislation is highly permissive with those who falsify gold's origin, stating that the declaration of the metal's source must only be based on the "seller's good faith," thus exempting buyers from any responsibility. Illegal gold is "legalized" or laundered once Brazil's "Distributors of Bonds and Securities," which are authorized by the country's Central Bank to source gold directly from the mines, buy the commodity.

## IMPORTERS OF BRAZILIAN GOLD IN 2020

| Importers            | MT    | USD (bil) | %   |
|----------------------|-------|-----------|-----|
| Canada               | 32.0  | 1.751     | 35% |
| Switzerland          | 17.3  | 0.852     | 17% |
| United Kingdom       | 14.2  | 0.808     | 16% |
| United Arab Emirates | 8.1   | 0.406     | 8%  |
| Italy                | 7.6   | 0.417     | 8%  |
| India                | 4.7   | 0.240     | 5%  |
| USA                  | 3.5   | 0.199     | 4%  |
| Belgium              | 2.9   | 0.159     | 3%  |
| Turkey               | 1.6   | 0.091     | 2%  |
| Germany              | 0.9   | 0.051     | 1%  |
| China, Hong Kong     | 0.5   | 0.026     | 1%  |
| France               | 0.03  | 0.001     | 0%  |
| Portugal             | 0.02  | 0.000     | 0%  |
| Spain                | 0.001 | 0.000     | 0%  |
| Total                | 93.4  | 5.0       | 1.0 |

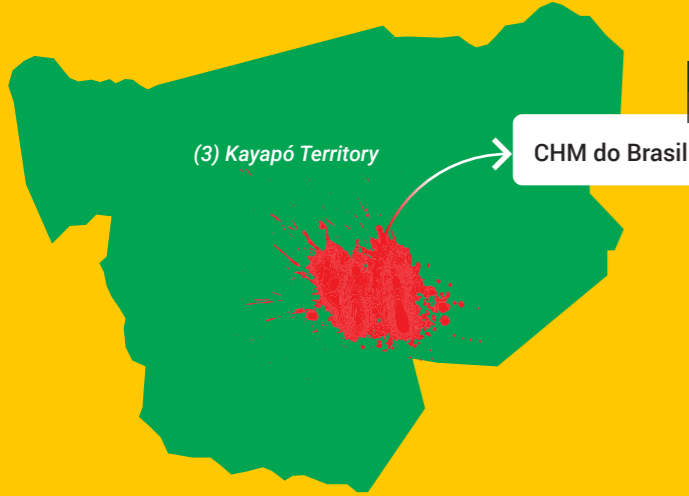
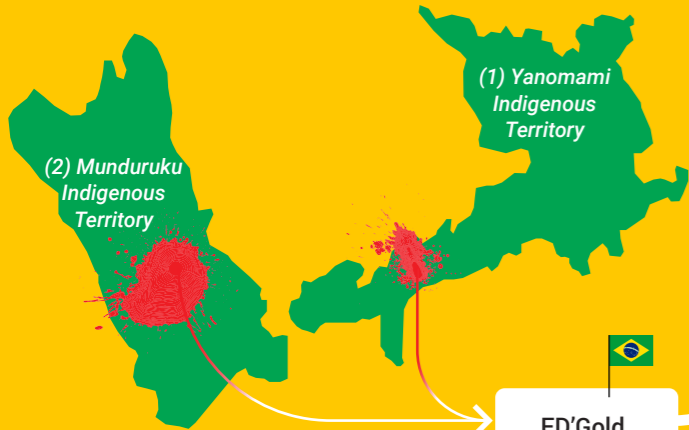
Source: UN Comtrade (2022)

GOLD STAINED WITH INDIGENOUS BLOOD

Which companies may have bought gold illegally extracted in Brazil?

ILLEGAL SOURCE

229 metric tons of gold with evidence of illegality were traded in Brazil between 2015 and 2020, amounting to 47% of national production (data by Instituto Escolhas)



Connection 1

Brazilian Federal Prosecutors accuse **FD'Gold DTVM** of buying gold extracted from **Munduruku (PA) and Yanomami (RR) Indigenous Territories**

A third of the gold refined by the Brazilian company **Marsam** comes from FD'Gold, which is owned by **Dirceu Frederico Sobrinho**. He was a partner at Marsam

Marsam

FD'Gold

Connection 2

Federal Police investigations show that **CHM do Brasil** is responsible for purchasing illegally extracted gold from **Kayapó Indigenous Territory (PA)**

The Italian refinery **Chimet** sent US\$ 400 million (BRL 2.1 billion) to **CMH** to purchase its gold, according to an investigation by Brazil's Federal Police

CHM do Brasil

Chimet

Gold with evidence of illegality



OTHER SOURCES | "THE BURDEN OF PROOF MUST BE REVERSED!"

The refineries below are located in countries that buy the majority of Brazil's gold. They must prove that they do not buy illegal Brazilian gold.



Canada

- Asahi Refining Canada
- CCR Refinery (Glencore)
- Royal Canadian Mint



Switzerland

- Valcambi
- Cendres + Métaux
- MKS PAMP
- PX Précinox
- Metalor Technologies (Tanaka Kikinzoku)
- Argor-Heraeus (Heraeus Holding)



Italy

- Italpreziosi
- Safimet
- 8853
- Faggi Enrico
- TCA

COMPANIES

Consumer electronics and electric car giants that bought gold from Chimet and Marsam – in addition to other refineries from countries that import from Brazil – may have purchased gold illegally extracted from Brazil's Indigenous Territories



PRODUCTS AND CONSUMERS



The gold's buyer must then simply self-declare where the metal came from. The fraudsters can claim that the origin is a legitimate mine, even if it isn't. Once it has been certified as legal, the gold can be sold to large refineries, jewelry stores, banks, and governments, as well as some of the most well-known brands in the world, who pass their complicity in this illicit trade on to the consumer.

Recent research from the Brazilian think tank Instituto Escolhas<sup>5</sup> estimates that 229 tons of suspected illegal gold were sold in Brazil between 2015 and 2020, and that almost half (47%) of the gold traded in Brazil has illegal origins. Switzerland, Italy, and Canada import a total of 60% of Brazil's gold, according to research commissioned by Amazon Watch. Chimet and Marsam are among 16 refineries, based in Brazil, Italy, Switzerland, and Canada, that sell Brazilian gold to almost all of the consumer-facing companies cited in this briefer.

It is therefore reasonable to presume that the supply chains of these companies – leaders in technology, electronics, and automobiles – are additionally stained by this conflict commodity. Meanwhile, the global consumers of their products are involuntarily complicit in today's disaster of Amazonian gold mining.

5 | Instituto Escolhas. "Raio X do Ouro: mais de 200 toneladas podem ser ilegais". ["X-Ray of Gold: more than 200 tons could be illegal."] São Paulo, 2022. <https://www.escolhas.org/wp-content/uploads/Gold-under-the-microscope-more-than-200-tons-of-brazilian-gold-are-potentially-illegal.pdf>



Photo: Kaiti Topramne



The destruction caused by illegal mining in the Homoxi region in the Homoxi region, Yanomami Indigenous Land.

Photo: Bruno Kelly / Amazônia Real

# ENDING OUR COMPLICITY

Considering that this is the 21st century and colonial theft should be a thing of the past, it's high time we **turn around the burden of proof**: can these giant companies prove that they're not linked to potentially illegal gold supply chains in Brazil?

The supply chain links between these major corporations and the global gold refineries in this brief are apparent not because of voluntary private sector transparency, but because the producers of products that use “conflict minerals” gold, tin, tantalum, and tungsten are required to disclose their direct and indirect suppliers to the United States Securities and Exchange Commission.

Given their proven links to refineries tainted by Brazil's toxic illegal gold market, the companies named here must go beyond such obligatory disclosures and demonstrate that their supply chains are free of this conflict commodity. Barring their ability to do so, they must immediately sever ties with all gold refineries that cannot prove the origin of the gold they source from Brazil, taking into account the fraudulent process through which illegally mined gold becomes laundered for global consumption.

Due to the violence and destruction caused by this illicit industry, **Brazilian gold** must now be considered a “**conflict mineral**” in the regulatory structures of all the leading importing countries, such as Canada,

Switzerland, the United Kingdom, and Italy, therefore requiring more transparency and enforcement throughout the entire process of sale, export, and import.

The highly irregular nature of Brazil's gold industry demands strong international scrutiny and intervention. The industry has shown itself unwilling to self-regulate and therefore requires global market pressure that eliminates incentives for ongoing criminality.

Leading technology, electronics, and electric vehicle companies must no longer enable the disastrous and tragic impacts of this industry on the Amazon and its peoples. Their failure to act in the face of their proven links to illegal Amazon mining will expose them to financial, legal, and reputational risks.

From the cellular phones in their pockets to the electric cars they drive, conscientious consumers will not abide by using products stained with Indigenous blood and irreparable ecosystem destruction. It is in our collective interest to put an end to this Amazonian catastrophe, as the rainforest sustains us all.

## GOLD REFINERS IN COMPANIES SUPPLY CHAINS 2021

| Refiners (Group)                        |    | Consumer electronics companies <sup>(1)</sup> |           |         |       |      | Top electric vehicle companies <sup>(2)</sup> |      |     |       |
|---|----|---|-----------|---------|-------|------|---|------|-----|-------|
|   |    | Apple   | Microsoft | Samsung | Intel | Sony | VW  | Ford | GM  | Tesla |
| AGA Mineração (AngloGold Ashanti)       | BR | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Marsam Refinadora de Metais             | BR | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Asahi Refining Canada                   | CA | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| CCR Refinery (Glencore)                 | CA | Yes   |           | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Royal Canadian Mint                     | CA | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Valcambi                                | CH |   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Cendres + Métaux                        | CH | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| MKS PAMP                                | CH | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| PX Précinox                             | CH | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Metalor Technologies (Tanaka Kikinzoku) | CH | Yes   |           | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Argor-Heraeus (Heraeus Holding)         | CH | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Chimet                                  | IT | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Italpreziosi                            | IT | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| Safimet                                 | IT | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| TCA                                     | IT | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |
| 8853                                    | IT | Yes   | Yes       | Yes     | Yes   | Yes  | Yes   | Yes  | Yes | Yes   |

1) Source: Company 2021 Conflict Mineral Reports.  
2) Note: Samsung previously sourced from Umicore Brasil before suspending them throughout their supply chain.  
3) Sources: Company 2021 Conflict Mineral Reports; Volkswagen Group (2022), Responsible Raw Materials Report 2021, p.36, 37.



Photo: Oliver Kornblitt / Mídia Ninja



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Photo: Victor Moriyama/Instituto Socioambiental (ISA)

Indigenous shamans,  
warriors, women and  
youth at the Yanomami  
and Ye'kwana Leadership  
Forum in 2019.



AMAZON WATCH

