



ALLIANCE FOR  
**RESPONSIBLE MINING**

ANNUAL REPORT

2015





# CONTENT

The headlines of 2015.....	3
Message from our President.....	6
Message from our Executive Director.....	7
How we bring change to artisanal and small-scale miners.....	9
Our impact in numbers.....	11
The Fairmined mining organizations: XAMODX.....	15
Core strategy: Assisting miners on the ground.....	16
The Fairmined mining organizations: The 15 de Agosto Cooperative.....	20
Core Strategy: Developing standards and certification systems.....	21
The Fairmined certified mining organizations: The mines of La Llanada.....	23
Core strategy: Building responsible gold supply chains and markets.....	24
The Fairmined certified mining organizations: The Iquira Cooperative.....	29
Core strategy: Promoting inclusive policies in the mining sector.....	30
The Fairmined certified mining organizations: Sotrami.....	32
The Fairmined certified mining organizations: Aurelsa.....	33
Our partners and donors.....	34
Governance.....	35
Our team .....	36
Financial information.....	38

# THE HEADLINES OF 2015

## January

The Mongolian NGO Xamodx obtains Fairmined Ecological Certification.



## March

We launch our updated brand identity.

**March**  
We unveil our new e-learning platform.



**ECERT**

## March

We start implementing our new traceability and certification management solution for the Fairmined System.

**April**  
Bolivian mining cooperatives and the public sector jointly commit to strengthen the small-scale gold mining sector when we host the Gold Dialogues in La Paz.



**Minería y Derechos Humanos:**  
Una mirada desde el sector Artesanal y de Pequeña Escala



## May

We release the publication on human rights and artisanal mining: "Minería y Derechos Humanos. Una mirada desde el sector artesanal y de pequeña escala."

# THE HEADLINES OF 2015

## May

We release a new booklet about mercury reduction and elimination for miners.



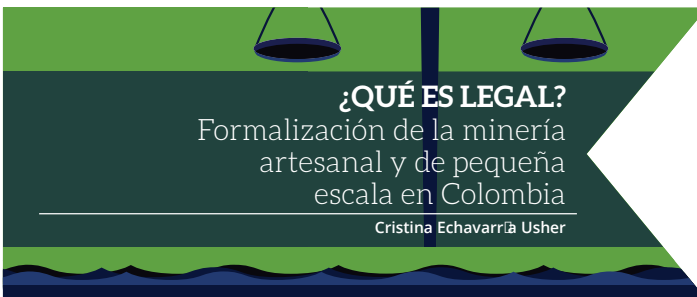
## June

Through our blog we create a new space for dialogue on artisanal and small-scale mining.



## July

The Peruvian mining organization Aurelsa recertifies.



## September

Our publication 'What is Legal' about formalization and legality of artisanal mining in Colombia, developed with IIED, is released in Spanish.



## October

We announce the Fairmined Certification of six new mines in Bolivia and Colombia.



## November

The Peruvian mining organization Sotrami recertifies.

# THE HEADLINES OF 2015

## November

We release a booklet in French about Fairmined Certification for West African miners.



## November

We host a regional experience exchange workshop for miners in Bolivia with a visit to the 15 de Agosto Cooperative.



## December

The Nobel Peace Prize is made out of Fairmined Gold for the first time in history.



©Erik Five Gunnerud



©Erik Five Gunnerud

Do you want to receive our news directly in your inbox?

**Subscribe to our newsletter!**

[www.responsiblemines.org/en/subscribe](http://www.responsiblemines.org/en/subscribe)

# MESSAGE FROM OUR PRESIDENT

2015 –  
Another  
year of  
intense  
growth!



The mission of the Alliance for Responsible Mining (ARM) to promote responsible artisanal and small-scale mining using certification as a tool is a very ambitious one. To achieve this objective, a few years back ARM entered a phase of expanding the Fairmined certification system internationally. But, in concrete terms, what does it mean to achieve sustainable and balanced growth?

- Expansion of supply and demand of Fairmined Gold
- Increase of ARM's presence in different continents
- Growth in the number of organizations engaged with the Fairmined Certification System
- Expanded number of the services we offer
- Institutional growth to handle all these activities!

I invite you to explore in this report the concrete achievements of the past year.

As in all organizations, external factors also play a huge role in the development of ARM and the growth of the Fairmined System. Though the certified mines sold most of their production as Fairmined Gold this year, uptake from new brands in the industry is still relatively slow. While new industry leaders are joining us, certain subsectors such as the electronics industry still face immense challenges in controlling their supply chains.

Also, although the jewelry industry still leads the Fairmined Gold uptake, it's clear that broader market change is a slow process. But it is equally clear that there is no going back.

Growth is a necessary step for any organization but it is also a difficult one. The dilemma is clear: any initiative needs to grow to deliver on its mission but if they grow too fast issues arise in several levels of the organization. Sustainable growth is an art that any organization needs to master and managing it well may be one of the most difficult challenges.

ARM is learning how to grow by rolling up its sleeves and tackling it head on, and I can say that we began to understand both the challenges and the exciting opportunities. From the end of 2013 (the first phase of significant growth) until now, we have focused on the need for consolidating what we have achieved. We started to focus on maintaining the quality of our work and the outcomes, but we also explored innovation opportunities and new areas of work.



**Maria Laura Barreto**  
President

Maybe the idea that there is a time to grow, a time to consolidate, and a time to innovate is not exactly correct. It seems that we need to do all of them simultaneously without compromising the quality or our values and that we must always ensure that our mission is the light that illuminates the path on our journey forward.

## MESSAGE FROM OUR EXECUTIVE DIRECTOR

### An overview of the year that has gone by

Each year it is an honor for me to present an increasingly developed Management Report, full of accomplishments and new lessons, where our commitment towards our stakeholders and our focus on generating value for them is evident.

Throughout 2015, we offered technical assistance to 107 mines on different issues and thanks to our projects and initiatives we had an impact on 5,520 miners. There were 10 mines certified by Fairmined by the end of 2015. There are two things I would like to highlight: Xamodx's certification in Mongolia, who are beginning to reap the benefits of formalization thanks to the support of the SAM project, and the certification of 5 mines in Colombia and 1 mine in Bolivia, who thanks to the support of Chopard, Eco-Age and ARM are now committed to responsible mining.



We have an ambitious goal of producing 1 ton of Fairmined gold in three years, but in order to achieve this we need a greater number of committed market players.

The Inter-American Development Bank (IBD-MIF) works in Colombia, Bolivia and Peru to promote the inclusion and sustainability of small entrepreneurial miners is also noteworthy, as well as UNIDO and FFEM's efforts with other allies to support formalization efforts from early on in Senegal and Burkina Faso. We worked on a strategy to progressively reduce and eliminate mercury use in the Southern Bolivar region. Together with "Somos Tesoro" and Pact, Fondo Acción and Mi Sangre we supported a comprehensive elimination of child labor in the Colombian mining sector.

We continue to work on the advocacy of voluntary and regulatory frameworks that enable the inclusion of artisanal and small-scale mining in formal economies and the generation of information then gives decision-makers an understanding of the right incentives to achieve this. With this in mind, we actively participated in EITI and AVINA's Dialogue Roundtable in Colombia; we enabled the Gold Dialogues in Bolivia and created a blog dedicated exclusively to the discussion of policy and public agenda issues related to the sector. I invite you to read this year's releases where we addressed Human Rights issues given its importance in discussing with the sector and governments. The subject of formalization in Colombia was also analyzed in depth.

Thanks to Fairmined Certification we are honoring our philosophy of including the smallest mines to global markets and can say with absolute satisfaction that we have chosen people over volumes as a more sustainable path on the long run. Our allies who provide services to miners now number 24; we are pushing forward to strengthen national capacities that work with the sector.

We have made huge efforts to enable refiners and brands who are committed to the Fairmined Label to be ambassadors of this program in their countries and markets. We have added 5 refineries with a reliable sourcing model to our system. There is still the challenge of achieving a greater supply of semi-finished products made out of Fairmined Gold. Hoover & Strong's involvement in March strengthened Fairmined's position in North American markets.

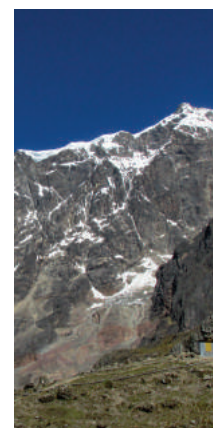
Furthermore, Fairmined's website is dedicated to offering marketing material has had a very favorable reception and has attracted new brands that recognize ARM's differentiation with an 82% satisfaction level. This year, 8 out of 10 certified mines found buyers for 100% of their available supply. We are constantly improving systems and processes to make Fairmined increasingly accessible to miners and the market.

We ended a year full of hard work with a special recognition to the work of responsible miners with the Nobel Prize's made of Fairmined Gold. This is a symbol that combines the aspirations to build peace and wellbeing from within the territories.

None of this would have been possible without a great team dedicated and committed with mind and heart to our mission, without our allies and donors and without the confidence miners and the market bestow upon us every day so we can work towards a more inclusive and responsible sector that adapts to today's world sustainability challenges.



**Lina Villa-Cordoba**  
**Executive Director**



# HOW WE BRING ABOUT A CHANGE FOR ARTISANAL AND SMALL-SCALE MINERS

The Alliance for Responsible Mining is a global leading expert on artisanal and small-scale mining (ASM). We work to transform the sector through a holistic strategy and a wide range of services for miners, the gold industry, public entities and other actors working in the sector.



Technical assistance for miners in their work to implement best practices, formalize or achieve Fairmined Certification



Development of standards and certification systems for responsible mineral extraction and sourcing



Consultancy services related to a wide range of issues related with the ASM



Creation of dialogue spaces and experiences exchange

## OUR VISION

Our vision is for artisanal and small-scale mining (ASM) to become a formalized, organized and profitable activity that uses efficient technologies, and is socially and environmentally responsible.

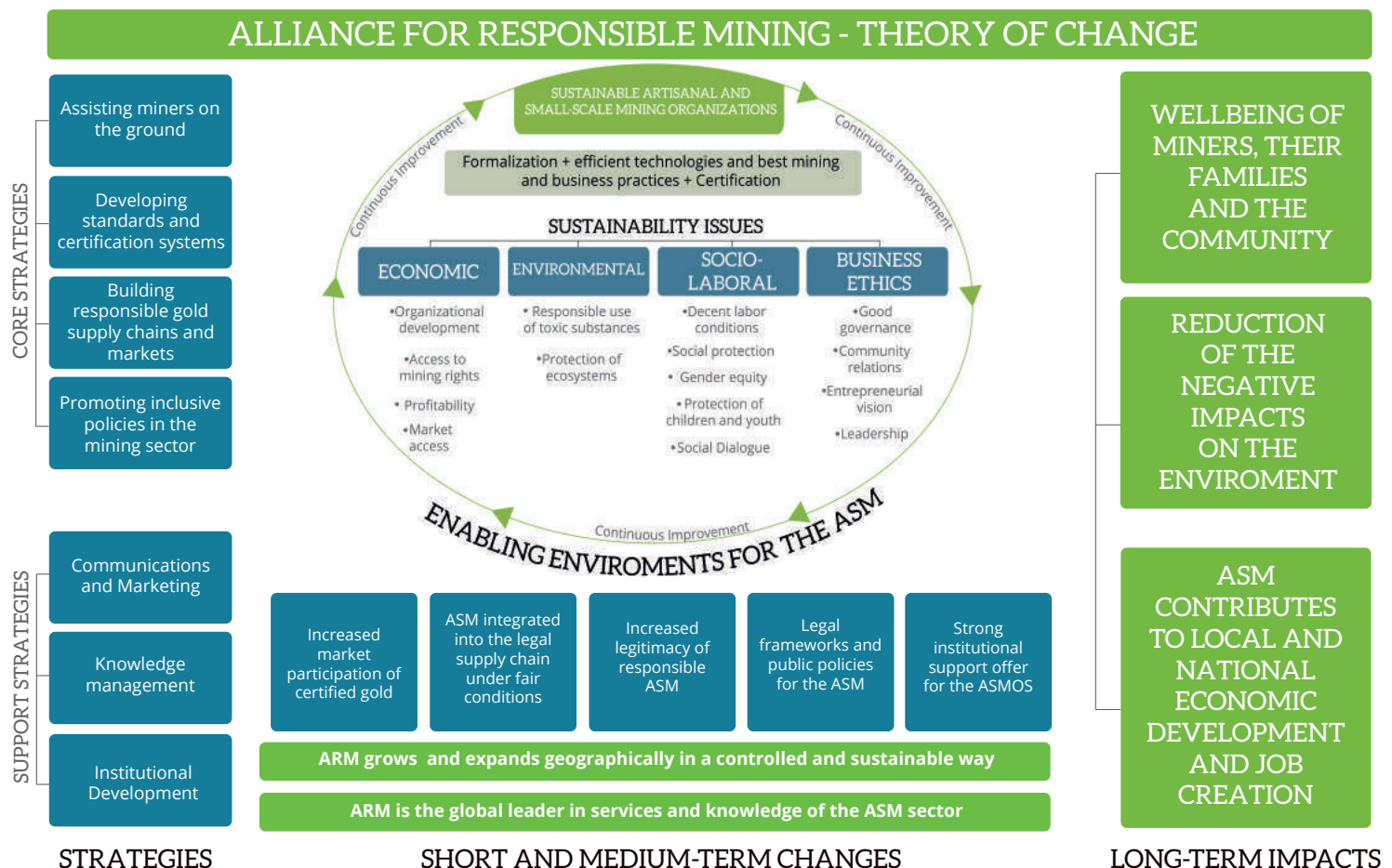
This is a vision of an ASM sector that increasingly develops within a framework of good governance, legality, participation and respect for diversity; an activity that increasingly contributes to the supply of decent work, local development, poverty reduction and social peace in our nations, driven by a growing consumer demand for sustainable minerals and ethical jewelry.

To make this vision a reality we must take a holistic approach when facing ASM's challenges and invest our efforts in the sector's existing opportunities, as well as in creating new ones.

Our team of experienced professionals with diverse backgrounds and experiences help us achieve this, guided by our theory of change that shows us the way to a more sustainable sector and unveils the impact of our efforts.



# OUR THEORY OF CHANGE



To make this vision a reality we must take a holistic approach when facing ASM's challenges and invest our efforts in the sector's existing opportunities, as well as in creating new ones.

Our team of experienced professionals with diverse backgrounds and experiences help us achieve this, guided by our theory of change that shows us the way to a more sustainable sector and unveils the impact of our efforts.

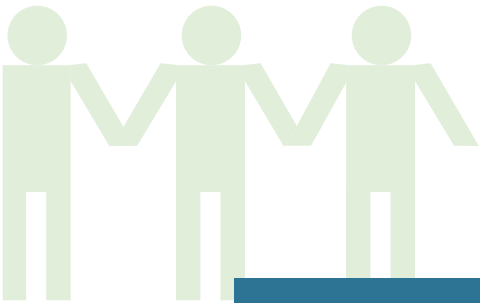
Our main strategy of generating a positive long-term impact in and small-scale mining is focused on four strategic areas of work. In the short and medium term, this strategy supports artisanal and small-scale mining organizations so they can become sustainable and ethical businesses that continuously improve economic, environmental and socially.

It also contributes towards the promotion and improvement of external environments favorable to ASM.

These environments are crucial when empowering the miners and creating a sector that contributes towards local and national development. These aspects include ensuring the implementation of efficient supply chains, creating inclusive public policies and qualified institutional support for miners and guaranteeing the engagement of other actors in the sector.

# MONITORING AND ASSESSING OUR PROGRESS

As well as showing us the road towards a sustainable ASM sector, our theory of change also creates a roadmap to assess our progress. We are currently working hard on an improved monitoring and evaluation system that will be fully developed in the year 2016. This system will give us improved information on our progress in reaching short, medium and long-term goals, which will allow us to further demonstrate our impact and to keep us on track in our daily work.



## OUR IMPACT BY THE NUMBERS

### 10

Countries where we worked with miners in 2015: Bolivia, Colombia, Ecuador, Peru, Brazil, Senegal, Burkina Faso, Mali, Gabon, Cameroon.



Kilos of Fairmined Gold sold by certified organizations

2014	2015
<b>123,6 kg</b>	<b>106,6 kg</b>

### 107

Total number of mining organizations where projects are underway in 2015

### 4700

Direct beneficiaries in 2014

### 5520

Direct beneficiaries in 2015 (Shareholders/members and permanent worker in the mining organizations)

### 12.635

indirect beneficiaries in 2014

### 14.589

indirect beneficiaries in 2015 (families of shareholders/members and permanent workers)

Direct beneficiaries of certified organizations

2014 **915** | 2015 **1.531**

indirect beneficiaries of Fairmined certified organizations

2014 **915** | 2015 **1.531**

### 7

New Fairmined certified organizations

### ✓10

Total number of Fairmined certified mining organizations



Premium received by the Fairmined certified mining organizations

2014	<b>USD 460.424</b>
2015	<b>USD 435.191</b>

# OUR PROJECTS AND CONSULTANCIES IN 2015



## Project

Strengthening formalization incentives and improved environmental and social performance in Artisanal and Small-scale Mining.

## Location

Bolivia, Colombia, Peru

## Partners and funders

Inter-American Development Bank, Multilateral Investment Fund, Fondo Acci n, Fundaci n Ayuda

## Project

Creation of a responsible artisanal gold mining supply chain and reduction of mercury emissions in West Africa.

## Location

Burkina Faso, Mali, Senegal

## Partners and funders

United Nations Industrial Development Organization (UNIDO), Fonds Fran ais pour l'Environnement Mondial (FFEM), Global Environment Facility (GEF).

## Project

Somos Tesoro: Reducing Child Labor in Colombia

## Location

Colombia

## Partners and funders

U.S. Department of Labor (USDOL), PACT, Fondo Acci n, Fundaci n Mi Sangre

## Project

Fairmined Certification Support

## Location

Colombia and Bolivia

## Partners and funders

Chopard

# OUR PROJECTS AND CONSULTANCIES IN 2015

## Project

Promoting sustainability of women-led mining organizations.

## Location

La Llanada, Nariño, Colombia

## Partners and funders

Fundación Ayuda

## Project

Mitigating the impact of mercury use

## Location

Sur de Bolívar, Colombia

## Partners and funders

Fondo Acción



## Consultancies

Supporting formalization in Gabon

## Location

Gabon

## Clients

World Wide Fund for Nature (WWF) Gabon

## Consultancies

Assessment of ASM capabilities in Colombia to create initiatives for greater transparency

## Location

Colombia

## Clients

Transparencia por Colombia & CORDAID



## Consultancies

Development of a methodology for efficient monitoring and formalization of ASM

## Location

Cameroun

## Clients

World Bank

# OUR PROJECTS AND CONSULTANCIES IN 2015



©Lise Remon



---

## Consultancies

Gold Dialogues: Building bridges between small and large-scale mining in Colombia

Location  
Colombia

Clients  
Fundación AVINA

---

## Consultancies

Carrying out a scoping study and a participatory design of strategies to achieve responsible and sustainable artisanal and small scale mining in Colombia.

Location  
Colombia

Clients  
Better Gold Initiative

---

## Consultancies

Study tour for high-level delegation from Mongolia

Location  
Cameroon

Clients  
Sustainable Artisanal Mining (SAM)  
Project – Swiss Agency for Development Cooperation (SDC)

---

# FAIRMINED MINING ORGANIZATIONS: XAMODX



©SAM

## FAIRMINED CERTIFIED SINCE JANUARY 2015

**Location:** Tsagaan tsakhir,  
Bayan-Ovoo Soum territory, Mongolia

**Miners:** 6 women, 294 men

**Type of Mining:** Hard rock

**Offers:** Fairmined Ecological Gold

*“Becoming Fairmined certified and gaining recognition in Mongolia and other countries is a great opportunity for local miners. This will show how Mongolia’s responsible artisanal miners work as independent organizations according to the country’s laws and regulations. We will share all of our experiences with other mining organizations in the country as well as in Asia.”*

*L. Byambadorj, XAMODX member, January 2015.*

It is thanks to the support of the Sustainable Artisanal Mining (SAM) Project of the Swiss Agency for Development Cooperation in Mongolia that XAMODX is now one of 10 certified Fairmined organizations in the world and the first of its kind in Mongolia.

The SAM project provided organizational capacity building and safety, environmental management and mining site management training during XAMODX’s path to certification.

# CORE STRATEGY: ASSISTING MINERS IN THE FIELD

We focus on helping miners improve the way they go about their business in order to contribute towards their wellbeing, to reduce the negative impact they have on the environment and to help artisanal and small-scale mining become a sustainable sector that contributes to local development and the national economy in the long run.

One of the most important aspects of it is making sure they can formalize and - in some cases - obtain Fairmined Certification. We do this through training and technical advice followed by constant support by the field team.

Together with the miners, we identify gaps and develop action plans that will steer them in the right direction towards improved social, environmental and economic practices.

Thanks to different projects and donors, in 2015 we worked with 5,520 miners worldwide. Our support led to exciting results, including the Fairmined Certification of 7 new mining organizations and a field-tested model for mercury reduction and elimination in hard rock mining in Colombia.

We look ahead and will continue to offer high quality mining services to help miners ensure their organizations are sustainable and responsible in the long term.



## Key results of 2015



Six new certified mining organizations in Colombia and Bolivia thanks to the financial support from the IDB-MIF and Chopard.



A Fairmined Ecological certified mining organization in Mongolia thanks to our partner SAM Project of the Swiss Agency for Development Cooperation.



100 improvement plans in the mines of our different projects in Latin America to ensure successful implementation of better practices.



A new e-learning platform with courses on different aspects of ASM for all actors working in the sector.



A tested model for mercury reduction in Colombia.



A reforestation program implemented in Burkina Faso and Senegal to mitigate the negative impacts of tree cutting for wood needed for mining tunnels.



New booklets for miners on Fairmined Certification in Francophone Africa and mercury reduction and elimination in Colombia.



Regional workshops in Bolivia and Senegal that showed promising results and commitment from miners in their work with Fairmined Certification.



Re-certification of Aurelsa and Sotrami thanks to their hard work and the guidance of our certification team.

# WHAT ARE THE CHALLENGES OF WORKING WITH ARTISANAL MINING IN THE FIELD?

As any organization working directly with ASM miners, we were faced with certain challenges that affected our work and implementation plans. Armed conflict in Colombia is still a risk when conducting fieldwork. On several occasions, we had to suspend our work in Segovia, Antioquia for the safety of our team.

Another challenge is the miners' financial situation. This condition often limits them in their ability to make greater changes in their production. Miners often have a very unstable production output due to lack of geological information of the terrain.

It is necessary both to explore credit access opportunities, and to succeed in obtaining project funds for investment in geological studies and long-term exploration plans. Without these initial studies, miners base their decisions on intuition only; often the ore vein they exploit disappears with serious consequences for their businesses.

## PREVENTING CHILD LABOR THROUGH FORMALIZATION



In 2015 we continued to work on the project **Somos Tesoro** to reduce child labor in mining regions in Colombia. The project was implemented together with Pact, Fondo Acci n and Fundaci n Mi Sangre and financed by the US Department of Labor.

The project takes a holistic approach, focusing on the root causes of child labor such as limited opportunities to access quality education, socioeconomic vulnerability of mining families and lack of institutional capacity.

With this in mind, our project colleagues work on making formal, non-formal and vocational quality education more attractive, increasing resilience and reducing social and economic vulnerability of families through livelihood strategies, strengthening institutions to improve operational capacity and promoting policies adapted to the territories.

Apart from raising awareness on child labor issues, ARM works with the miners to build a safer work place by promoting mining safety and hygiene and establish formal environments that respect Colombian laws regarding protection of minors and children, starting from the idea that in formal mining child labor doesn't take place. Furthermore, by helping to prevent accidents miners have the possibility of a stable income which reduces their family's vulnerability. A better economic stability reduces the need to count on child labor to sustain the family.

# NEW E-LEARNING PLATFORM TO STRENGTHEN THE ASM SECTOR

The platform is part of our Capacity Building Center and was launched in early 2015. It offers online courses aimed at people who work or interact with the artisanal and small-scale mining (ASM) sector and want to improve their understanding of it.

*"We want to help miners find the local technical support they need, and that is why the Capacity Building Center seeks to strengthen the expertise available in their territories. The Center also creates links between local governments, institutions and companies to enable formalization processes and the inclusion of ASM in the mining sector."*

*Lina Villa*  
*Executive Director of the Alliance for Responsible Mining*

The capacity building center offers available and tailored virtual and on-site courses, including:



Fairmined Certification System

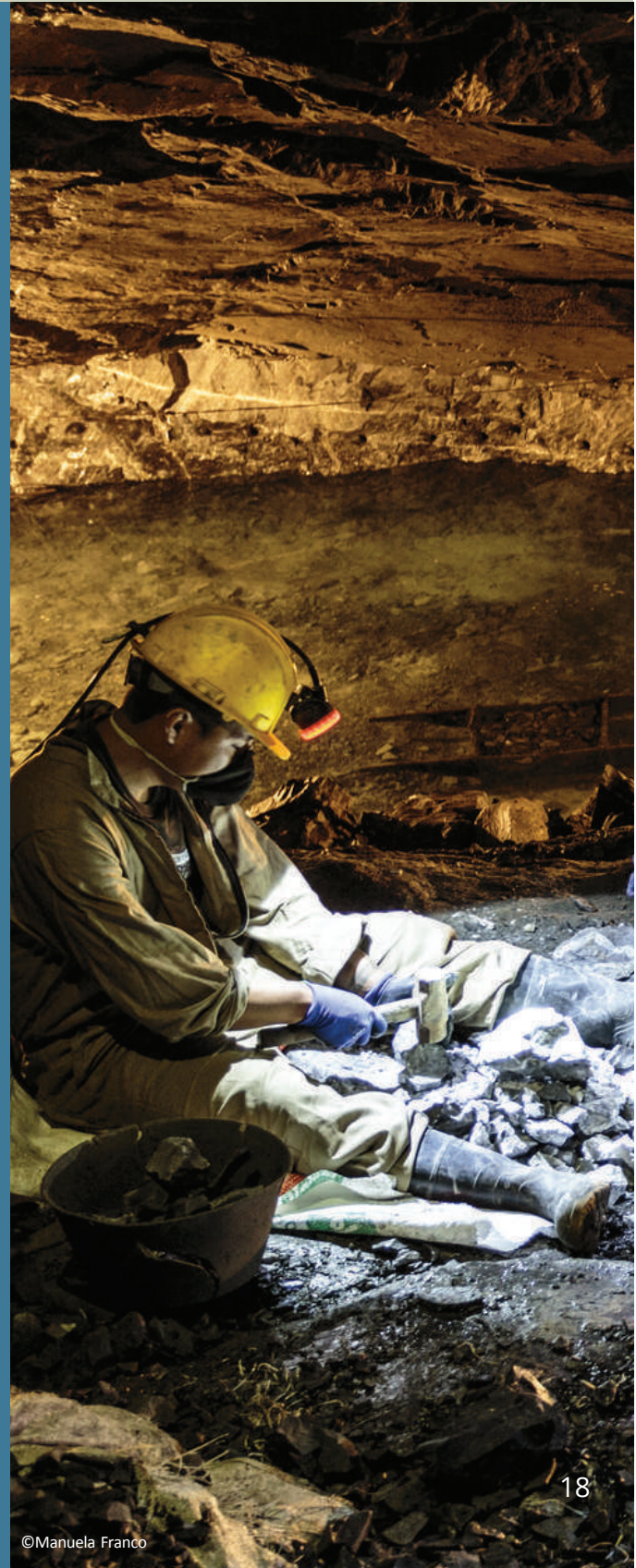


Gender and ASM



Conflict management and resolution

The development of the platform was made possible thanks the support of the Inter-American Development Bank (IDB) through the Multilateral Investment Fund (MIF), Fundación Ayuda and Fondo Acción, among others.



# EXPANDING OUR WORK IN AFRICA

In 2015 we continued to work on our projects in Senegal, Burkina Faso, Mali and Gabon. We also added a new country to the group: Cameroon.

In Cameroon we were doing a consultancy project for the World Bank with the Geological Survey of Denmark and Greenland (GEUS) and Estelle Levin Ltd. to contribute to more efficient monitoring and formalization of the country's ASM sector.

In the UNIDO led project in West Africa, the miners showed great progress as we continued to provide them with technical assistance and training. We also established new and important partnerships with the organization APAF and the French Embassy in Burkina Faso. In the coming year, we will continue these efforts, intensifying our work to ensure health and safety in the mines as well as focusing on the establishment of a just supply chain.

This year our project in West Africa was selected and showcased by UNIDO as one of the most successful projects in 2015.

In Gabon we also continued to work towards formalization by providing miners with technical support and training. We carried out a study on mining and commercial laws to make educated recommendations on the creation of fair supply chains. The country's legal framework hinders miners' formalization efforts and completely dedicates supply chains to exportation of the national gold reserve. This leaves little room for artisanal miners to export certified gold. This project ended in December 2015, and we are looking for new partners and opportunities to keep working with the miners of Gabon in 2016.



# FAIRMINED MINING ORGANIZATIONS: THE 15 DE AGOSTO COOPERATIVE



## FAIRMINED CERTIFIED SINCE SEPTEMBER 2015

**Location:** Bajo Ocobaya Community,  
Irupana municipality of La Paz, Bolivia

**Miners:** 50 women and 170 men

**Type of Mining:** Hard rock

**Offers:** Fairmined Gold

*"Thanks to mining, my family and I have a good home and food on the table every day. My expectations from Fairmined Certification are to improve our mining activities and the place we live. We now have better possibilities to support the community and open a health center."*

*Alexander Nina,*

*President of the Cooperative 15 de Agosto, September 2015.*

It is ARM's local ally - Cumbre del Sajama - that has provided the Bolivian cooperative with training on issues such as health and safety and mercury reduction in order to meet the Fairmined Standard's requirements.

Watch and jewelry manufacturer Chopard has given the cooperative financial support to help them achieve Fairmined Certification as part of their long term CSR strategy "The Journey to Sustainable Luxury" Chopard sources Fairmined Gold for various jewelry and watch creations and the famous Palme d'Or of the Cannes Film Festival.

ARM and Chopard's collaboration is part of a larger project that ARM is implementing in Bolivia, Colombia and Peru thanks to the support of the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (MIF).

# CORE STRATEGY: DEVELOPING STANDARDS AND CERTIFICATION SYSTEMS

Our work with standards and certification systems is at the heart of our mission to transform ASM into a social and environmentally responsible activity that improves the quality of life for miners and their communities. The Fairmined Standard shows the way towards responsible mining and guides miners in their path to formalization and sustainability in their operations.

The Fairmined Standard and Certification System is as robust as it is practical and user-friendly, and continues to generate credibility among our stakeholders. It guarantees that ethical gold buyers have low-risk and readily accessible sourcing options that generate positive impacts on the mining communities.

As we keep on promoting sustainability and responsible practices in the artisanal and small-scale mining sector, we are also looking to create new standards that can generate an even bigger impact on miners.

## Key results of 2015



Implementation of our new Traceability and Certification Management System, Ecert, which we began developing in 2014 to guarantee traceability and ensure that Fairmined products are what they claim to be.



First steps towards the development of an entry-level standard for conflict free gold that can guide miners who are not yet certified by Fairmined towards better practices and market access. We have teamed up with RESOLVE to generate greater engagement from the industry, civil society, governments, and other stakeholders and carry out a pilot-test for the standard in Colombia.



First steps in aligning the Fairmined system with other certification systems for stakeholders' convenience and cost reduction.



# THE MINERS' ROAD TOWARDS FAIRMINED CERTIFICATION



# FAIRMINED CERTIFIED MINING ORGANIZATIONS: THE MINES OF LALLANADA



©Manuela Franco

## FAIRMINED CERTIFIED SINCE JULY 2015

**Location:** La Llanada, Nariño, Colombia

**Miners:** 6 women, 63 men

**Type of Mining:** Hard rock

**Offers:** Fairmined Ecological Gold

*"Thanks to mining I have managed to meet the needs of my family. I feel satisfied because I can provide job opportunities that benefit many households. I can also think about giving my family and those of the people associated with my work a better future."*

*Doris Cuatin, owner of Minerales Cuatin in La Llanada, October 2015.*

Watch and jewelry manufacturer Chopard has given the cooperative financial support to help them achieve Fairmined Certification as part of their long term CSR strategy *"The Journey to Sustainable Luxury"*. The successful certification of the pioneering five small mines in July 2015 has proven the concept of responsible mining and Fairmined Certification in the region.

ARM and Chopard's collaboration is part of a larger project that ARM is implementing in Bolivia, Colombia and Peru thanks to the support of the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (MIF).

# CORE STRATEGY: BUILDING RESPONSIBLE GOLD SUPPLY CHAINS AND MARKETS

Responsible economic development is at the core of improving conditions for miners.

Fairmined Certification is a market-driven solution that allows miners to empower themselves as small businessmen and women who develop their businesses in a sustainable manner, all the way from extracting to selling the mineral.

To support this process, we actively search for new markets for Fairmined certified organizations, create communication channels between buyers and miners and support the establishment of efficient and fair supply chains.



30 new business began offering Fairmined products, meaning over 90 businesses worldwide.



New website for Fairmined in 4 languages.



New and improved marketing materials for licensees and suppliers including a special promotional.

## Key results of 2015



Fairmined certified organizations sold 106.6 kg of Fairmined Gold combined.



Fairmined gold sales generated 435,191 USD in Fairmined Premium for the certified organizations.



8 out of 10 certified mining organizations experienced a 100% demand for their Fairmined Gold supply.



The world's first Nobel Peace Prize made of Fairmined Gold.



Improved supply of Fairmined Gold in the United States thanks to Ethical Metalsmiths and refiner Hoover and Strong.



First Fairmined Gold exportation from the La Llanada mines in Colombia.



# WHAT OUR PARTNERS THINK ABOUT FAIRMINED

In our relationship with Fairmined stakeholders we aim to offer high quality customer service. We strive to be business-friendly and provide bespoke support to successfully engage our partners with Fairmined.

We want them to value our partnership and know that we are their best allies when it comes to bringing a positive change to mining communities.

We carry out annual satisfaction surveys with Fairmined Licensees and Authorized Operators (suppliers of Fairmined Gold) in order to see how our service and value proposition is perceived and where we should improve. In 2015 the level of satisfaction with our services increased to 87.2%, compared to 81.3% in 2014.

*“The customer support is outstanding!!!!!!”*  
*(Fairmined Licensee)*

92% of our partners would very likely recommend Fairmined to friends or colleagues. And 94% agree that their relationship with ARM adds to their business. That is amazing! We are so happy to see that our efforts bear fruits.

*“I feel it is a very open and constructive working partnership.”*  
*(Fairmined Licensee)*



## Market conditions



A constant challenge for the Alliance for Responsible Mining is balancing supply and demand. We cannot have miners producing gold without having clients, and we cannot create expectations in the market if a satisfactory amount of Fairmined Gold will not be available. Therefore we continuously search for new markets and maintain our Fairmined sourcing models competitive and attractive.

On the supply side, we are constantly moving forward. As more miners certify and experience demand, other miners are inspired to follow their example to make a change for themselves, the environment and the broader community.

## What does it take to export Fairmined Gold?

In an industry where not too long ago it was uncommon for anyone in the downstream end of the gold supply chain to identify with any certainty where their gold came from, establishing traceable Fairmined Gold supply chains has presented various challenges.

Artisanal miners traditionally have little or no experience exporting their gold. They often lack an enabling environment with the necessary tools - such as infrastructure, information and resources (capital) - for establishing a new export route. Changing the tradition of selling to a local buyer to exporting to a new foreign buyer can generate uncertainty among mining organizations, making it difficult to establish trust and confidence at the beginning.

Some of the obstacles we face are:



Lack of financing to accumulate the required volumes to make exportation profitable.



It can take longer to receive full payment compared to the cash-in-hand tradition of selling locally.



Timing the mineral extraction amongst various work groups.



When establishing and managing business relationships with foreign buyers various barriers appear such as: use of communications technology, language, cultural differences, confidence and trust.



Maneuvering unfamiliar regulations and customs processes.



Transportation to point of exportation.

The Fairmined initiative has provided the necessary support and conditions for miners to begin overcoming these obstacles. Aurelsa, Iquira, and COODMILLA have all carried out their first-ever exports thanks to the Fairmined Initiative and are all currently exporting on a regular basis under the Fairmined Standard's favorable conditions.

As the industry is now searching for more ethical and traceable sources of gold, Fairmined has a proven model that works for both the miners and the market.

## The world's first Nobel Peace Prize made of Fairmined Gold



In 2015, we achieved a new important and meaningful milestone that connected the world's most important symbol of peace to our work with development and wellbeing in mining communities. For the first time in the Nobel Peace Prize's history, the winners of the award were presented with a medal made out of Fairmined certified gold.

The Mint of Norway, which produces the medal, teamed up with us in a bid to show that the problems artisanal and small-scale gold miners throughout the world face can be transformed into positive stories.

*"This initiative with Fairmined is not only about the Peace Prize medal or our own business. It is about increasing the attention the entire coin industry gives these issues, so that more companies start using gold from certified small-scale mines. This way we can gradually improve miners' working conditions, and safeguard the environment at the same time."*

Ole Bjorn Fausa,  
CEO of Samlerhuset owner of the Mint of Norway, December 2015.

The gold used in the medal came from the Fairmined certified Iquira Cooperative in Colombia and was delivered to the Mint by Fairmined refiner S&P Trading - Gold by Gold.

# Fairmined Suppliers

## Europe



S&P Trading, France  
Vipa Designs, United Kingdom  
Majoral, Spain  
Quantiem, Spain  
Metalor Technologies SA, Switzerland  
PX Precinox SA, Switzerland

## North America



FairSources, Canada  
Hoover and Strong, The United States  
Argen Jewelry Division, United States  
Liberty Refiners LLC, United States

## South America



Alloy S.A.S, Colombia

# Fairmined Licensees

## Asia



Dede Marconato Contemporary Jewellers,  
Hong Kong  
Earthrise, Japan  
HASUNA, Japan  
R Jewels, Japan  
Saugh, Singapore

## Europe



Amalena, Austria  
Anna Moltke-Huitfeldt, Denmark  
Ole Mathiesen, Denmark  
April by MG. Paris, France  
Flore & Zephyr, France  
JAQ, France  
JEM, France  
Kering, France  
Nenuphar Bijoux, France  
Paulette & Bicyclette, France  
Noen GmbH, Germany  
Numiscom, Germany  
Gioielleria Belloni, Italy  
Nina Strategier, Netherlands  
Mint of Norway, Norway  
Adoro mi oro, Spain  
Emilie Bliguet, Spain  
Luz Rodriguez Gonzalez, Spain  
Lia Terni, Spain  
Majoral, Spain  
Union Suiza (Misui), Spain

Chopard, Switzerland  
Gundula Papesch, Switzerland  
Zeitwinkel, Switzerland  
Arabesques et Runes, Switzerland  
Anabel Campell, United Kingdom  
Amanda Li Hope, United Kingdom  
April Doubleday, United Kingdom  
Cox & Power, United Kingdom  
Edward Fleming Jewellery Design, United Kingdom  
Good As Gold Jewellers, United Kingdom  
Hattie Rickards Jewellery, United Kingdom  
Kashka, United Kingdom  
Lovenut London, United Kingdom  
Samantha Rose, United Kingdom  
Serendipity Diamonds, United Kingdom  
Vipa Designs, United Kingdom

## North America



Fair Trade Jewellery Company/Fairsources, Canada  
 Alex Jay Jewellery, Canada  
 Fluid Jewellery, Canada  
 Hume Atelier, Canada  
 Jacob Mercari, Canada  
 Allison Ulmer  
 Ana Khouri, United States  
 Amy Schilling, United States  
 As Above So Below, United States  
 Bario-Neal LLC, United States  
 Brilliant Earth, United States  
 CAM, United States  
 Dawes Design, United States  
 East Fourth Steet Jewelry, United States  
 Ed Lay, United States  
 Emily Chelsea Jewelry, United States  
 Erin Shay Daily, United States  
 Green Lake Jewelry Works, United States  
 Irene Weinz, United States  
 Jan Mandel, United States  
 Jenn Dewey Jewelry Design, United States  
 Jessica Hudson, United States  
 Jewelry by Blanca, United States  
 Kachari & Kael, United States  
 Kara | Daniel Jewelry, United States  
 Linhardt Design Studio, United States  
 Liv and Lov, United States  
 Lori Rochelle, United States  
 McTeigue & McClelland, United States  
 Min Elske, United States  
 Merzatta, United States  
 Robin Halpin, United States  
 Sarah McGuire Studio, United States  
 Shaya Durbin, United States  
 Sharon Chandally, United States  
 Susan Drews Watkins, United States  
 Susan Wheeler Design, United States  
 Taber Studios, United States  
 Tenzabelle, United States  
 Toby Pomeroy, United States  
 VK Designs, United States

## South America



Martalia, Ecuador



©Merzatta



©VK Designs



©Fluid Jewelry

# FAIRMINED CERTIFIED MINING ORGANIZATIONS: THE IQUIRA COOPERATIVE



## FAIRMINED CERTIFIED SINCE AUGUST 2014

**Location:** Pacarná-Iquira, Huila, Colombia

**Miners:** 5 women and 84 men

**Type of Mining:** Hard rock

**Offers:** Fairmined Gold and Silver

*“We are proud to know that the Peace Prize was made of gold from our cooperative. This is a huge international acknowledgement that allows us to show the world that responsible mining is possible.”*

*Luis Alfredo Gonzales,  
president of the Fairmined Premium Committee in the Iquira Cooperative, December 2015.*

The Iquira Cooperative was certified as part of our project with the Inter-American Development Bank and the Multilateral Investment Fund (IADB-MIF).

During the process they also received important technical support from SENA's Industry, Enterprise and Services Center in Huila, a local institution strengthens social and technical capacity.

Small-scale mining plays an important role in the local community. The cooperative supports approximately 450 people through their work. With increased income thanks to mining, the community has greater opportunities and an amplified long-term business vision.

# CORE STRATEGY: PROMOTING INCLUSIVE POLICIES IN THE MINING SECTOR

Regulatory frameworks play an important role in our work towards a recognized and sustainable ASM sector. We act on several levels to influence public policies so that regulatory frameworks are inclusive and favorable to ASM and the sector is recognized as a legitimate player on the local, national and international level:

- We enable dialogues between the sector's players and construct knowledge and experience exchange networks
- We strengthen local actors' capacities to help them participate in an effective and responsible manner in advocacy and policy-making processes
- We do high level advocacy in countries where the Fairmined Standard is being implemented
- We provide trustworthy and relevant information on ASM

These activities become increasingly crucial in our work as the policies of the countries in the Andean region, where most of the Fairmined certified mines are located at the moment, become more and more aggressive towards small-scale miners.

## Key results of 2015



First Gold Dialogues in Bolivia bring together mining cooperatives and the public sector to talk about ASM formalization.



Release of a new publication on mining and human rights by Leonardo Guiza and the Spanish version of "What is legal" by Cristina Echavarría thanks to the support of the IDB-MIF and the IIED.



Facilitation of a high-level visit of the Ministry of Mines of Mongolia to Colombia in collaboration with the SAM Project and the Colombia Presidential Agency (APC).



New blog on policy issues in ASM.



Thanks to a consultancy for CORDAID, we carried out a comprehensive study of ASM in Colombia and the world to provide an overview of the subject for the work of EITI's Civil Society Roundtable in Colombia.



# OUR INVOLVEMENT IN SECTOR INITIATIVES:



**Responsible Jewelry Council (RJC)**  
► Members of the Standards Committee



**Organization for Economic Co-operation and Development (OECD)**

- Members of the drafting committee of the OECD Due Diligence Guidance for Responsible supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Members of the ASM Hub Working Group on Child Labor
- Members of the ASM Hub Working Group on Conflict Minerals
- Members of the ASM Hub Working Group on Audit



**Extractive Industries Transparency Initiative (EITI)**  
► Members of the Civil Society Roundtable in Colombia  
► Coordinator of the ASM Working Group in Colombia



**The Responsible Ecosystems sourcing Platform (RESP)**  
► Members of the advisory Panel for Colored Gemstones



**United Nations Environmental Program (UNEP)**  
► Partners of the global mercury partnership  
► Civil society participant in the Minamata convention



**Responsible Mining Index**  
► Advisory Council



# FAIRMINED CERTIFIED MINING ORGANIZATIONS: SOTRAMI



©Nigel Wright

## FAIRMINED CERTIFIED SINCE MAY 2011

**Location:** Santa Filomena, Sancos District, Lucanas province, Department of Ayacucho, Peru

**Miners:** 45 women mineral sorters (pallequeras) and 850 men

**Type of Mining:** Hard rock

**Offers:** Fairmined Gold

*"We are very aware of the fact that we are certification pioneers. This motivates us and commits us even more to continue doing well. We are currently in a stage of transformation. We are committed every year, and we will continue to improve according to our strategic plan."*

*Rolando Huamancallo,  
General Manager and Chairman of the Board in SOTRAMI, November 2015.*

# FAIRMINED CERTIFIED MINING ORGANIZATIONS: AURELSA



## FAIRMINED CERTIFIED SINCE MAY 2012

**Location:** Relave, Parinacochas province, Department of Ayacucho, Peru

**Miners:** 17 women and 114 men

**Type of Mining:** Hard rock

**Offers:** Fairmined Gold and silver

*“When I began working in an artisanal and small-scale mining company in southern Peru, I discovered the power and importance of gold, not as a luxury product, but for what it means for thousands of men and women who have found in gold an opportunity to escape poverty, to have a job and to be able to provide a dignified life for their families”*

*María Rosa Reyes Pajuelo, Managing Director, June 2015.*

# OUR PARTNERS AND DONORS

## PRIVATE SECTOR

- Chopard
- Golden Goose PR
- Hogan and Lowells
- Microsoft
- Richline Group
- Samlerhuset Group B.V

## INSTITUTIONS AND NGOS

- Ethical Metalsmiths
- Fondo Acciñ
- Fonds Français pour l'Environnement Mondial (FFEM)
- Fundaciñ Ayuda
- Fundaciñ AVINA
- Fundaciñ Mi Sangre
- Global Environment Facility (GEF)
- Artisanal Gold Council (AGC)
- International Institute for Environment and Development (IIED)
- Inter-American Development Bank (IDB-MIF)
- Pact
- Resolve
- Solidaridad
- United Nations Industrial Development Organization (UNIDO)
- Sustainable Artisanal Mining Project Mongolia (Swiss Agency for Development Cooperation)
- Responsible Jewellery Council - RJC

## CONSULTANCY CLIENTS

- Transparencia por colombia (CORDAID)
- World Bank
- World Wide Fund for Nature (WWF) Gabon
- Better Gold Initiative

## MINERS SUPPORT ORGANIZATIONS

## AFRICA

On the local level we work in collaboration with a number of partners to provide increased direct support to miners:

- AFDC, Burkina Faso
- APAF, Senegal and Burkina Faso
- Ortech, Senegal
- SADEV, AKAD Senegal
- Sifmo, Burkina Faso
- The Réseau Afrique Jeunesse (Youth African Network), Burkina Faso

## LATIN AMERICA

- Cumbre del Sajama, Bolivia
- CETEM/FUNCATE, Brazil
- Asociaciñ por una Minería Responsable y Comercio Justo del Suroccidente Colombiano – ASOMIRCOL, Colombia
- Centro de la Industria, la Empresa y los Servicios del Sena Regional Huila, Colombia
- Cooperativa de pequeños mineros de los Andes LTDA, COOMILAN, Colombia
- Corporaciñ Autñnoma Regional de Nariño, CORPONARIÑO, Colombia
- La Fundaciñ Comunitaria protectora del medio ambiente en la serranía de san Lucas y Guamoco – FUNCOPROMAS, Colombia
- Universidad del Externado de Colombia, Colombia
- Universidad de Nariño, Colombia
- Universidad Politñcnica de Cataluña, Colombia
- Cámara de Comercio de Pasto, Colombia
- La Cooperativa de pequeños mineros de los Andes LTDA –COOMILAN-, Colombia
- Fundaciñ Internacional para la promociñ del Desarrollo Sostenible Futuro Latinoamericana (FFLA), Ecuador
- Instituto Redes de Desarrollo Social – RED SOCIAL, Perú

# GOVERNANCE

## BOARD OF DIRECTORS



Our Board of Directors consists of 7 experts who represent the sector as a whole. All board members work up to 3 days a month pro-bono for the Alliance for Responsible Mining.

**Maria Laura Barreto**, Lawyer and PHD in Mineral Engineering  
Chair

**Manuel Reinoso**, Artisanal miner and mining leader  
Vice Chair

**Cristina Echavarría**, Advisor in mining and sustainability

**Felix Hruscka**, Expert in standards and artisanal mining

**Harbi Guerrero Morillo**, Artisanal miner and economist

**Toby Pomeroy**, Sustainable jewelry pioneer and Director of Toby Pomeroy™

**Patrick Schein**, Pioneer in ethical supply chains for artisanal mining and founding president at Gold by Gold - S&P Trading

**Catalina Cock**, Sustainability expert  
Honorary member

ARM is currently in the process of expanding its board of directors. It is our goal to include up to two new members by 2017.



## Executive committee

Special advisory committee to the Executive Director

**Maria Laura Barreto**  
**Manuel Reinoso**  
**Patrick Schein**

## Stakeholder alliance

Our stakeholder alliance was created many years ago. It was made up of individuals or organizations from any part of the supply chain committed to our vision, values and objectives and interested in being engaged with our strategies and processes. In 2016 we will redefine the nature of our stakeholder alliance and its role in the organization.

# OUR TEAM



ARM's team reflects a diverse multicultural group with solid professional skills to achieve our goals as an organization. 2015 brought in 14 additional team members who quickly joined and adapted to our hard working team of committed employees.

## Team members

### Executive management

Lina Villa Cordoba, Executive Director  
[linavilla@responsiblemines.org](mailto:linavilla@responsiblemines.org)

### Administration (5 people)

Led by Santiago Londoño, Administrative and Financial Manager  
[santiagolondo@responsiblemines.org](mailto:santiagolondo@responsiblemines.org)

### Partnerships and New Initiatives (2 people)

Led by Geraud Brunel, Head of Partnerships New Initiatives  
[geraudbrunel@responsiblemines.org](mailto:geraudbrunel@responsiblemines.org)

### Communications (3 people)

Led by Siri Teilmann-Ibsen, Communications Coordinator  
[siriteilmann@responsiblemines.org](mailto:siriteilmann@responsiblemines.org)

### Fairmined Business Development (2 people)

Led by Kenneth Porter, Head of Fairmined Business Development  
[kennethporter@responsiblemines.org](mailto:kennethporter@responsiblemines.org)

### Fairmined Marketing

Cornelia Havel, Fairmined Marketing Coordinator  
[connyhavel@responsiblemines.org](mailto:connyhavel@responsiblemines.org)

### Regulatory frameworks (2 people)

Led by María Luisa Villa, Head of Regulatory Frameworks  
[marialuisav@responsiblemines.org](mailto:marialuisav@responsiblemines.org)

### Standards and certification (3 people)

Led by Felix Hruschka, Standards Director  
[cert@responsiblemines.org](mailto:cert@responsiblemines.org)

### Training and advisory

Marta Tobón, Coordinator, Capacity Building Center  
[arm@responsiblemines.org](mailto:arm@responsiblemines.org)

### Monitoring and evaluation (2 people)

### Mining Services

21 people in Colombia (Nariño, Antioquia, Bajo Cauca, Boyacá and Santander)

Led by Natalia Gonzalez, Mining Services Coordinator  
[nataliagonzalez@responsiblemines.org](mailto:nataliagonzalez@responsiblemines.org)



# GENDER COMPOSITION

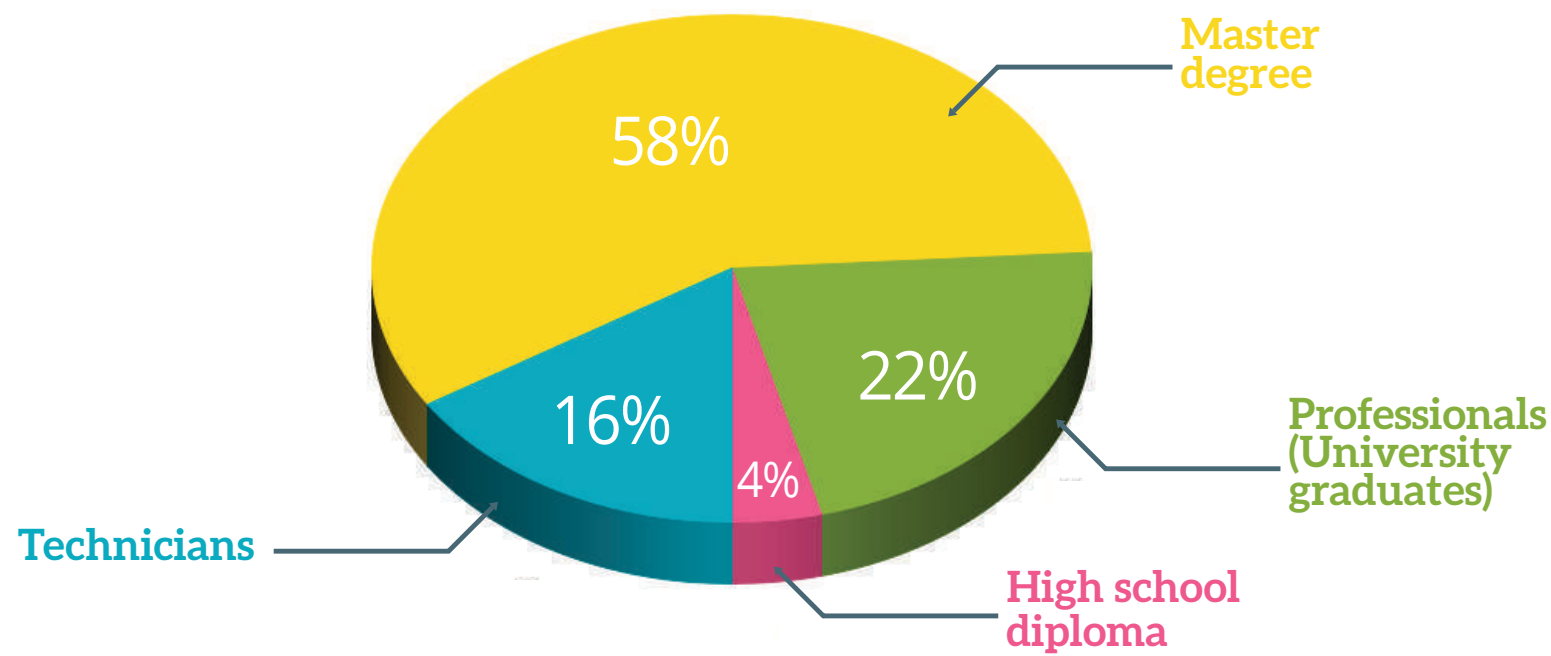


44% MEN



56% WOMEN

# LEVEL OF EDUCATION



# DEVELOPMENT

Year	2009	2010	2011	2012	2013	2014	2015
Size of team	3	4	6	13	16	31	45

## 82% JOB SATISFACTION

Of the people surveyed, 82% expressed that they felt proud of being part of the organization, that they felt integrated and autonomous, had a good relationship with their colleagues and good communication with their direct managers.

## VOLUNTEERS

As always, our volunteers deserve a special thank you. We are very fortunate to attract highly skilled young professionals, offering their time and knowledge to support our mission. Thank you!

- ▶ Winslow McCurdy
- ▶ Felix Heerbeck
- ▶ Lizeth Alejandra Parra
- ▶ Elizabeth Marie Herb
- ▶ Simon Levi
- ▶ Tiffany Andrea Botero

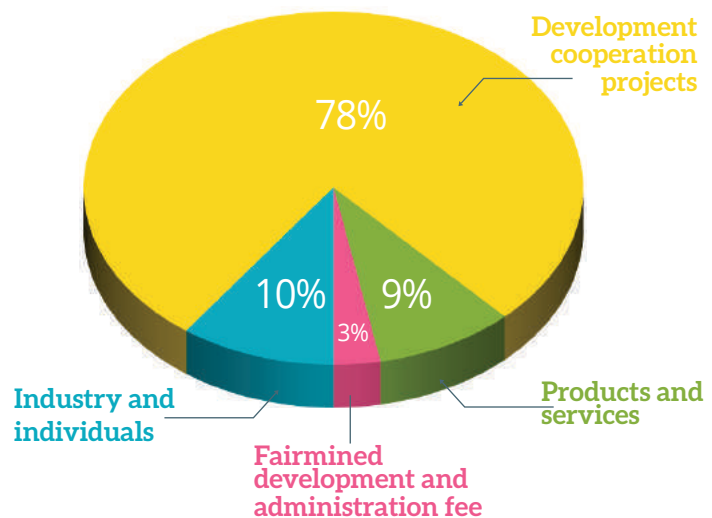


# FINANCIAL INFORMATION

## Economic and financial management

All in all, 2015 delivered a 43% percent increase in the financial resources ARM manages. Last year we mobilized funds amounting to \$1,298,173 dollars. The highest percentage of resources came from development cooperation projects, which contributed \$1,011,753 dollars, while resources received from the industry and from individuals amounted to nearly \$ 126,084 dollars.

2015 was the second year Fairmined licensing generated revenues for the sustainability of the certification scheme, which totaled \$46,211 dollars. We also received an income of nearly \$114,125 dollars through our products and services.

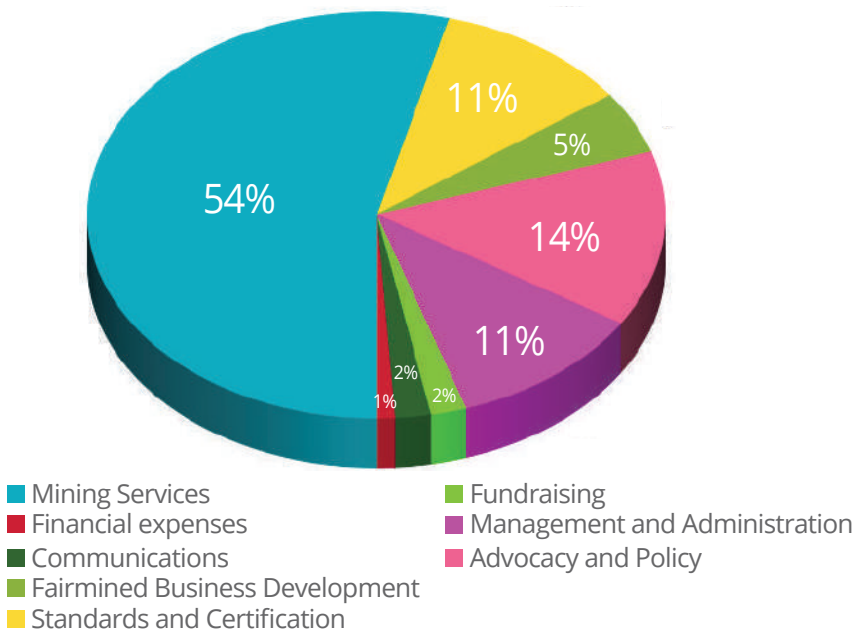


# Mobilized funds in US Dollars 2015

► Mining Services	\$ 709.603	55%
Mining Services Colombia	\$ 338.414	26%
Mining Services Peru	\$ 49.628	4%
Mining Services Bolivia	\$ 96.617	7%
Mining Services Senegal, Burkina Faso, Mali	\$ 169.976	13%
Mining Services Ecuador	\$ 4.406	1%
Mining Services Brazil	\$ 50.562	4%
► Standards and Certification	\$ 137.655	10%
Staff	\$ 41.323	3%
Investment in infrastructure	\$ 96.332	7%
► Fairmined Business Development	\$ 66.209	5%
Staff	\$ 42.228	3%
Activities and travel	\$ 23.981	2%
► Advocacy and Policy	\$ 176.143	14%
Staff	\$ 50.550	4%
Investment in infrastructure	\$ 39.965	3%
Consultancies, other activities and trips	\$ 85.628	7%
► Management and Administration	\$ 146.620	11%
► Fundraising	\$ 25.338	2%
► Communications	\$ 26.392	2%
Subtotal	\$ 1'287.897	
Financial expenses	\$ 12.060	1%
► TOTAL	\$ 1'299.958	



## Mobilized funds

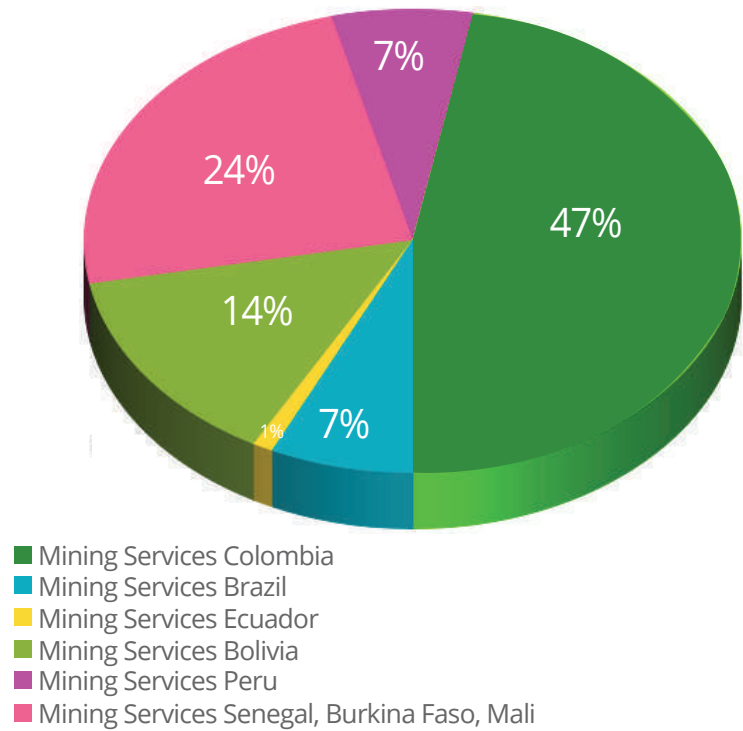


## Accountability

2015 was the year we began to implement the International Financial Reporting Standard (IFRS), a process that will be concluded during 2016. The implementation of best practices is a constant concern in our institutional management so as to ensure full compliance with the obligations and responsibilities of the organization as well as promote ethical behavior in line with our institutional principles and objectives.

ARM is using software products in line with current legislation and complies with rules on employee contributions under the General Social Security System of Colombia.

## Mobilized funds for technical assistance per region



## Diversification of incomes

The alliances and new initiatives department works along other areas in the organization to ensure controlled, sustainable growth and geographic expansion for the organization, and to position ARM as a global leader in ASM-related services.

ARM has reinforced our funds diversification strategy focusing on cultivating direct donor relationships and increasing the responsiveness to public tenders, but also strengthening the collaboration with corporate social responsibility departments of private electronic companies, the coin and luxury jewelry industry and large-scale mining.



ALLIANCE FOR  
**RESPONSIBLE MINING**

[www.responsiblemines.org](http://www.responsiblemines.org)

[arm@responsiblemines.org](mailto:arm@responsiblemines.org)

+ 57 (4) 322 47 11

Calle 32B Sur # 44A-61

Envigado - Colombia