We keep walking

ANNUAL REPORT 2020
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Statement by the Director

2020 was a year of great challenges for the world, for ASM and for our organization. The pandemic caused by Covid-19 deeply changed the ways we relate to each other and invited us to look for other ways of inhabiting the territories.
2020 was a year of great challenges for the world, for ASM and for our organization. The pandemic caused by Covid-19 deeply changed the ways we relate to each other and invited us to look for other ways of inhabiting the territories.

At short notice, many miners had to drastically reduce production or even close their operations. With international supply chains disrupted, for a time gold found no way out of producing countries, forcing miners to sell to local markets at heavily discounted prices. All this with strong economic and social impacts in communities that depend on mining.

Faced with this situation, the Alliance for Responsible Mining (ARM) reacted by changing the priorities of its projects to meet the needs of our partners and support a productive reincorporation, integrating health protocols to reduce the risk of infection.

Artisanal and small-scale miners have shown great resilience, a characteristic for this sector that has persisted against all odds. I am also proud to say that the ARM team has risen to the challenge, demonstrating commitment, willingness and creativity to find new ways to support our partners in the territories, first virtually, and then face to face (or rather face to mask). We also thank our market partners and project funders, whose flexibility allowed us to better meet the current needs in the communities, but also to ensure the stability of our organization in this period full of uncertainties.

The moments without travel and working at home also offered an opportunity to reflect and think about how to grow our impact, responding to the needs and agendas of our partners: miners, market stakeholders, governments, other organizations working with ASM and international development programs.

ARM’s new strategy, the Sustainable Mines Program, is an ASM procurement and support scheme to build secure supply chains with robust and cost-efficient due diligence, while contributing concretely to the Sustainable Development Goals at mine sites. The program offers partners a flexible infrastructure of services, processes, methodologies, systems and tools, built on the framework of our Craft Code and Fairmined standards, and ARM’s learnings
on how small mining businesses can be economically, socially and environmentally sustainable.

With all its ravages, the pandemic not only demonstrated the vulnerabilities of miners, but also evidenced a wave of empathy and solidarity among stakeholders in the sector, strengthening commitments to further integrate responsible ASM into global supply chains.

We hope that the Sustainable Mines Program ecosystem will play an important role in channeling these efforts and energies, and that the 2020s will go down in history as the Decade of Responsible ASM!

Tired of the lock-in, but with new ideas and hopes... **WE KEEP WALKING!**
The Alliance for Responsible Mining is a global organization founded in 2004 that works to positively transform the artisanal and small-scale mining (ASM) sector into a legitimate, responsible and profitable activity, improving the quality of life of mining communities around the world.
ARM introduces the Sustainable Mines Program (SMP), an impact initiative that promotes the positive transformation of the artisanal and small-scale mining (ASM) sector, offering a progressive path towards responsible, profitable and sustainable mining, based on CRAFT and Fairmined standards, to facilitate the access of miners to formal global markets and provide a sourcing solution to the gold and other minerals industry.
Since its inception, ARM has seen a great opportunity in generating win-win alliances between ASM, international markets, development cooperation, governments and other stakeholders. The development of sustainability standards, Fairmined and Craft, was the basis of the strategy to build trust, create a common language and integration between these different sectors. The certification with the Fairmined Standard has demonstrated that long-term relationships with the market, as well as additional income such as the Fairmined Premium for the miners, provide stability to the development processes of the mines. At the same time, ARM’s long-standing relationship of accompaniment and advice has been made possible by the development fee paid by the market and development projects.

In this context, ARM introduces the Sustainable Mines Program (SMP).
Based on specialized standards in ASM

The Sustainable Mines Program articulates pioneering standards, widely consulted and recognized in the ASM sector and industry, to accompany the progressive improvement of miners:

**CRAFT Code** (Code for the mitigation of Risks in Artisanal and small-scale mining, Forming transparent and legal chains).

It offers miners a route towards legitimacy, formalization and progressive improvement in mining practices starting from the highest risks, enabling access to formal supply chains. This is achieved by facilitating the due diligence exercise of supply chains, a process based on the OECD Due Diligence Guidance.

**Fairmined Standard**

The Fairmined Standard offers miners more rigorous requirements on their path to responsible mining, connecting them with formal supply chains where they sell their certified gold, gold to be proud of. These mining organizations become benchmarks for good practices in the sector.
Sustainable Mines is a flexible sourcing program that offers tailor-made solutions for miners across the formalization spectrum, as well as market players with different risk appetites, business strategies and sustainability goals.

This program is possible thanks to the commitment of miners, and the partnership of different sectors of development cooperation, the gold industry and governments, who support and finance the continuous and lasting improvement of business, mining, social and environmental practices in ASM.

The ASM pyramid below describes four levels of journey for mining organizations: Awakening, Core Compliance, Embracing Sustainability and Sustainability Leaders. At each segment of the path, miners have different opportunities to engage with buyers, donors and other partners.
Sustainable Mines Program (PMS)

1. Wake up
   - These mines decide to organize themselves for mining work and take their first steps.

2. Compliance
   - These mines have the potential to market their ore legally and control the worst risks associated with the sector: child and forced labor, conflict financing, money laundering and theft.

3. Embrace sustainability
   - These mines are transitioning from survival to economically viable businesses. They meet the basic OSH and environmental management requirements of their operations.

4. Sustainability leaders
   - These mines are the beacon of the sector, implementing demanding economic, social and environmental practices and are committed to maintaining Fairmined certification and continuously improving their operations and impacts.
04

2020 in figures

23 Projects

11 Countries (more info in page 17)
Direct participants of our projects:

4,133

- 1,837 Women
- 2,296 Men

- 8 Fairmined certified small-scale mining organizations
- 138.2 kilograms of Fairmined gold sold to international markets
- 1,375 men and women miners at certified mines (169 of them are women)
- 537,732 USD Fairmined premium awarded to certified mining organizations

- 266 licensed brands (jewelry stores and mints) working with Fairmined gold
- 22 authorized suppliers (refiners, manufacturers, traders and goldsmiths) in 27 countries
Countries where we worked in 2020

**Asia**
- Mongolia

**Central America**
- Nicaragua

**South America**
- Colombia
- Peru
- Guyana
- Suriname

**Africa**
- Mali
- Burkina Faso
- Ghana
- Cameroon
- Republic of the Congo
During 2020, the Alliance for Responsible Mining developed different activities to support mining communities that were affected by the suspension of operations due to the pandemic caused by Covid-19.
Publication

Impact of Covid-19 on artisanal and small-scale mining.
Research conducted jointly with Solidaridad Colombia.

On April 6, 2020, the Alliance for Responsible Mining and Solidaridad published an analysis of the Colombian situation. This exercise showed impacts derived from the suspension of activities and difficulties in terms of ore transportation and sale that were slowing down the flow of income in mining areas. It also identified barriers to access to government aid and support.

Get to know the study here
Campaign and food baskets

Generosity connects us: fundraising campaign and delivery of food baskets (Colombia and Peru).

From this campaign, the Alliance for Responsible Mining collected 4,810 EUROS / 21,550,000 COP / 5,750 USD and allocated them to the distribution of food baskets for artisanal mining families in Colombia (in the municipalities of El Bagre, Zaragoza, Tópaga, Sogamoso and Cauca) and Peru (Ananea District).

Thanks to the donation of approximately 50 people, 184 artisanal women and their families received this support at a complex time due to the global pandemic that has affected the livelihoods of these mining families.
Self-care campaign (Colombia)

#MineriasinCOVID19

Campaign and podcasts.

Through the #MineriasinCOVID19 campaign, we developed these spots/podcasts which aims to reduce the risk of COVID-19 infection in artisanal and small-scale mining in Colombia.

Discover them here!
Self-care campaign (Peru)

“ASM without Covid-19”:
Participation in the campaign led by PlanetGOLD Peru

We carried out different activities to promote self-care practices to prevent Covid-19 infection in the artisanal and small-scale mining sector in Peru, on which approximately 1 million people in that country depend.

These were some of the actions we carried out in this country:
Self-care campaign (Burkina Faso)

Awareness campaign for the adoption of preventive measures

The Alliance for Responsible Mining developed Covid-19 prevention workshops with artisanal mining communities in Burkina Faso. Protective equipment such as thermoscopes, soap and protective masks were delivered; and demonstrations were made for its correct use.
Impact on the territories

South America
COLOMBIA
Total participants
1,631

Budget executed
USD 789,844

Departments
11

Municipalities
30

- Bolívar
- Antioquia
- Chocó
- Cauca
- Nariño
- Santander
- Boyacá
- Caldas
- Vaupés
- Amazonas

South America
COLOMBIA
General Achievements

- Implementation of improvement plans for the CRAFT code and the Fairmined standard in the municipality of San Roque (Antioquia).

- Design of virtual courses aimed at MAPE mining organizations about: Health and Safety at work and organizational aspects.

- Design and advice on the implementation of biosafety protocols for prevention against COVID-19.

Project Achievements

Proudly women miners

- Training of women miners on gender topics and issues to take into account when preparing an institutional gender policy.

  More info

Somos Tesoro

- Institutional gender policy in Mineros La María S.A.S and COAGROMIN

- 57% progress in the implementation of improvement plans with a CRAFT approach of 13 Mining Production Units (UPM) in the Cooperativa Agrominera Multiactiva de Paipa. (Boyacá)

- 45% progress in the implementation of improvement plans with a CRAFT approach of 7 Mining Production Units (UPM) intervened in Mineros La Maria S.A.S. (San Roque, Antioquia)

- Restoration and reforestation processes in areas worked by mining companies.

  More info
Pilares

- Pilot of tools for identifying risks in child labor and on safety and health at work by civil society organizations in El Bagre and Zaragoza (Antioquia), and Barranco de Loba and San Martín de Loba (Bolívar).

More info

“Raíces Doradas” (Golden Roots)

- Support for the design of a title with a gender component.

- Construction of a due diligence tool specialized in artisanal miners for the application of the CRAFT Code and specific criteria of the Anexpo marketer. This achievement has been in conjunction with CI Anexpo, Fundación Atabaque and ARM.

More info

CAPAZ: Supply Chains of Peace (Nariño)

- Support to 23 mining fronts of the Coodmilla cooperative and La Fortaleza Organization in the formalization and application of CRAFT and Fairmined.

- 22 kg sold to the international market implementing the CRAFT Code.

- Coodmilla CRAFT report updates.

- Coodmilla overcame the challenge of access to banking services. Access to the financial system: due diligence efforts in favor of MAPE.

More info
CAPAZ: Supply Chains of Peace (Cauca)

- Application of the COVID-19 survey to 23 women selectors of minerals from ASOMUSELUPAZ and AGROMIN to define the main needs of women in this challenging context.

- Training in mining regularization (legality) and formalization of associations. Advice to ASOMUSELUPAZ for organizational strengthening (business plan, planning).

- Approval of the environmental permit for the innovative and unique mercury-free mobile processing plant by gravimetric methods for mineral sorters in Cauca, Colombia. 57 women from the Asomoselupaz Women’s Association will benefit from this plant and a business plan.

More info

PlanetGOLD Colombia

- Report on gold mining with a gender perspective

More info

RISE

- Gender analysis of mining women from Andes and Bajo Cauca built with the MIT D-Lab.

- Methodological construction of Social Mobilization Workshops, with emphasis in its first phase, on the prevention and approach of gender-based violence.

- Evaluation of the baseline of mercury use in the municipalities of Guapi, Timbiquí, Suárez and Buenos Aires (Cauca).

- First implementation of the Social Mobilization Workshops in Andes and Zaragoza during June and July 2020.

- Design and planning of a women’s exchange in November 2020.

More info
Barequeando Ando

- Development of capacities in tourism management of mining workers of Santa Fe de Antioquia.
- Design by mining workers of tourist package and Tourist Route.
- Piloting the Tourist Route “Barequeando Andando: In search of the golden sprinkles”

Ethnic Mining

- Study in Colombia and Peru on barriers and opportunities formalization and access to markets legal for mining communities in ethnic territories.
- Dialogues of ethnic communities with the national government in Peru on a differential approach of ASM in these communities.

Developing forest-smart artisanal and small-scale mining standards

- Start of definition and discussion of the ASM forest-smart mining principles.
- Selection of countries and sites for conducting feasibility analysis.
Outstanding partnerships

**GDIAM**: Articulation in advocacy, banking and application of the CRAFT code.

**Solidaridad Colombia**: Joint advocacy.

**WWF**: Partners in the implementation of the Future Mercury Free - ASM sustainable mining Model project in afrocolombian communities from the Chocó region, financed with resources from the U.S. State Department.

**MIT**: Design of the “social movements” and diagnostics methodology with a gender approach in the mining sector.
Projects

1

Proudly women miners.
Women miners united for gender equity

Objective: To strengthen the AMME’s (ASOAMME) capacities to achieve gender equity in ASM.

Municipalities: Mongua, Sogamoso, Gámeza, Tópaga (Boyacá).

Donor: Ayuda Foundation.

LEARN MORE
Somos Tesoro
Reducing child labor in mining areas.

**Objective:** Reduce child labor in mining areas of Boyacá and Antioquia through a comprehensive strategy that includes educational opportunities, livelihoods, mining formalization and public policies.

**Municipalities:** Paipa, Mongua, Sogamoso, Gámeza, Tópaga (Boyacá). San Roque, El Bagre, Zaragoza, Remedios, Segovia (Antioquia).

**Partners:** PACT and Mi Sangre Foundation.

**Donor:** United States Department of Labor (USDOL).

LEARN MORE
Pilares
Improving capacities of civil society on child labor

Objective: Improve the capacity of civil society to understand and address child labor, and promote acceptable working conditions in the artisanal and small-scale gold mining sector.

Municipalities: El Bagre, Zaragoza (Antioquia). San Martín de Loba and Barranco de Loba (Bolívar).

Partner: PACT.

Donor: United States Department of Labor (USDOL).
Specific agreement for the formalization process of La María S.A.S.

**Objective:** Support the formalization process that Gramalote Colombia Limited is voluntarily developing together with the mining authority, national, regional and local institutions in San Roque, and ASM miners, as well as the miners’ formalization process to access to the formal gold market, under the CRAFT scheme and its subsequent Fairmined certification.

**Municipality:** San Roque (Antioquia).

**Donor:** Anglo Gold Ashanti as part of its Gramalote Limited project.
“Raíces Doradas” (Golden Roots)
Traceable supply chain

**Objective:** Create a fully traceable supply chain that complies with international due diligence requirements in Chocó. Increase the number of artisanal miners using good practices. Empower women miners to become active leaders, promoting equality in territorial governance and peace process.

**Municipalities:** Istmina, Condoto and Quibdó (Chocó).

**Partners:** Atabaque Foundation, Anexpo, European Partnership for Responsible Minerals.

**Donor:** European Partnership for Responsible Minerals (EPRM).
A Mercury-free Future
A Sustainable mining model for ASM in African-Colombian communities in the region of Chocó

Objective: Strengthen the resilience of ASM communities to resist pressure from actors within the informal sector to sell gold outside the formal supply chain or buy mercury for processing.

Municipalities: Unión Panamericana and Tadó (Chocó).

Partners: World Wildlife Fund Colombia (WWF) (Project Director) and Instituto de Investigaciones Ambientales del Pacífico (IIAP).

Donor: U.S. Department of State (USDOS).
CAPAZ: supply chains of peace

Objective: Continue and strengthen the process of improving the organizational, social and mining practices of the miners involved in the Phase 1 pilots. Implement a sustainability roadmap to operationalize the CRAFT code.

Municipalities: La Llanada, Los Andes Sotomayor and Pasto (Nariño), and Suárez (Cauca).

Partner: Resolve

Donor: European Partnership for Responsible Minerals (EPRM)
planetGOLD Colombia
Integrated mercury management in the artisanal and small-scale mining sector

Objective: Improve activities related to the strengthening of capabilities, technique assistance, technology transfer and knowledge management, in relation to the strategic objectives of the GEF-GOLD Colombia project, in the Cauca department.

Municipalities: Suárez, Buenos Aires, Guapi and Timbiquí (Cauca).

Partners: Planet GOLD Colombia, GEF GOLD, United Nations Environment Program, UNDP, Ministry of Mines.

Donor: PNUD.
Resilient, Inclusive and Sustainable Environments: Gender-based violence in the environment (RISE)

**Objective:** To generate a safe space for women miners to share stories of their reality of gender-based violence in mining, through the construction of a “movement building” approach, combining methodologies designed and implemented by Harvard University, MIT and ARM.

**Municipalities:** El Bagre, Zaragoza, Nechi and Los Andes (Antioquia).

**Partner:** MIT D-Lab.

**Donor:** United States Agency for International Development (USAID).
Barequeando ando
Pilot of a responsible tourist route for ancestral gold

Objective: Promote gold panning as a legitimate, tourist and artisanal activity, recognized as intangible heritage, that is formalized, responsible and promotes the participation and empowerment of panning women (barequeras) of Santa Fe de Antioquia.

Municipality: Santa Fe de Antioquia (Antioquia).

Partners: Mayor’s Office of Santa Fe de Antioquia (Secretary of Tourism, Mining Control Unit, Women’s Office) and the National University (Mines and Arts Faculty).

Donor: Swiss Foundation for Solidarity in Tourism (SST)
Ethnic mining and sustainability.
Integration into the ARM strategy

**Objective:** Territories with a cluster of community mining organizations implement best practices and are connected to formal markets, experience inclusive mining governance and inspire policies, contributing to community well-being, economic development and reduction of negative environmental impacts.

**Locations:** Cauca and Chocó; Puno (Peru).

**Donor:** Ford Foundation.
Developing forest-smart artisanal and small-scale mining standards

**Objective:** Develop a ‘Bolt-on’ Standard and guideline for forest-smart mining (FSM) in the artisanal and small-scale mining (ASM) sector that can be adapted and adopted into existing responsible mining and sourcing initiatives, certification systems, management systems, and regulations and ultimately ground-truthed and piloted in four diverse sites.

**Partners:** Levin Sources and Fauna & Flora International.

**Donor:** World Bank.
06.2 Impact on the territories

South America

PERU
Total participants: 1,320

Women: 435
Men: 885

Budget executed: USD 180,184

Departaments: 2
Districts: 2 (Ananea and Cháparra)

Arequipa
Puno
Achievements

- Certification of the Cruz Pata Chaquiminas mining organization, located in Puno.
- Upgrade of the CECOMIP certified mining organization offices, thanks to the investment of its Fairmined award.
- Consolidation of the environmental management and zero mercury use of the mining organization Oro Puno, as part of its improvement plan.
- Incorporation of the women’s association Divinas en Brillo de Oro as part of the mining organization CECOMIP, strengthening gender equity in ASM.
- Development of a model of economic alternatives for the women pallaqueras of La Rinconada.

Outstanding partnerships

National Directorate of Mining Formalization: to develop a National Action Plan.

Pure Earth and Solidaridad: Joint work with Pure Earth and Solidaridad organizations in the Madre de Dios region to advance projects on Amazonian ASM.
Featured publications

Impact on the territory.

Labor alternatives for the pallaqueras of La Rinconada (in spanish).
Projects

1 Promoting an inclusive model of responsible ASM, based on the Fairmined Standard

**Objective:** To promote an inclusive and clean model of responsible artisanal and small-scale mining (ASM), based on the Fairmined certification system.

**Municipalities:** Ananea and Rinconada (Puno).

**Partners:** Colorado School of Mines, Energy and Mines Regional Office of Puno, Municipality of Ananea, Pure Earth, Energy and Mines Regional Office of Madre de Dios, CITE Minero Madre de Dios.

**Donors:** Ensemble Foundation, United States Department of State (USDOS).

LEARN MORE
Inclusive miners

Improvement of the living conditions of mining women from the Puno area.

**Objective:** Strengthening of an inclusive governance strategy (with a gender approach) to influence mining policies and disseminate the Fairmined model at regional and national level. Improving the living conditions of women miners in the Puno area.

**Municipalities:** Ananea and Rinconada (Puno).

**Donor:** Ensemble Foundation and Ford Foundation.
06.3 Impact on the territories

South America
GUYANA AND SURINAME
Achievements

- Analysis of the regulatory framework of both countries.
- Territorial characterization of 3 regions in Guyana and 2 in Suriname.
- Analysis of the CRAFT Code in Guyana and Suriname.
06.4 Impact on the territories

Central America
NICARAGUA
Achievements

- Analysis of the mining regulatory framework in Nicaragua, pre-CRAFT analysis at the territorial level and preliminary analysis of the supply chain in Bonanza.

Outstanding Partnerships

Mining Chamber of Nicaragua (CAMINIC).
Projects

1. Assess the feasibility of Fairmined Certification

**Objective:** Evaluate the integration of the Nicaraguan collaborative model, based on the Fairmined diagnosis of two artisanal mining organizations.

**Municipalities:** La Libertad and Bonanza.

**Donor:** CAMINIC.
06.5
Impact on the territories

Africa
BURKINA FASO & MALI
Burkina Faso

Total participants: 1,109

Budget executed: USD 186,130

Women: 571
Men: 538

Regions: 4
Municipalities: 14

Locations: Centre-Ouest, Centre-Nord, Plateau-Central, Sud-Ouest
Achievements

- 13 participating mines.
- 9 mines signed protocols of agreement with ARM to formalize under the CRAFT model.
- Final report: Case study of the CIEDEL “Clean Gold” project: definition of a technical protocol on a complete line.
- Study to understand the consequences of Covid-19 on mining communities.
- Training on the OECD Due Diligence Guidance.

Outstanding partnerships

World Bank

Delve
Mali

Total participants 154

Departments 3

Municipalities 3

Budget executed USD 9,786

Achievements

- Training on the OECD Due Diligence Guidance.

Partnerships

- Liptako-Gourma Region Integrated Development Authority.
Projects

Support for the creation of legal artisanal and small-scale mining (ASM) in Burkina Faso

Objective: Increase the contribution of ASM to human and rural development in Burkina Faso through legal and viable production and marketing channels. Increasing the formalization level, elimination of mercury, creating commercial relationships for the sale of legal gold, multi-stakeholder dialogue platforms at the local level and ASM action plans.

Locations: Center-North, Center-West, Southwest.

Donor: European Union (EU), through its Instrument contributing to Stability and Peace (IcSP).
Project to reduce environmental, health and social risks of artisanal gold mining (phase 2).

**Objective:** To identify opportunities for the creation of responsible and mercury-free gold supply chains.

**Locations:** Megué, Zorghó and Boudri.

**Donor:** International Center of Studies for Local Development.

[LEARN MORE]
Support to mining communities affected by Covid-19


Donor: World Bank (EGPS Fund).

Study: Impact of Covid-19 on artisanal mining communities

Objective: To collect, process and share information and data to understand how COVID-19 restrictions affect the economic and social lives of miners and their families.

Partners: World Bank and Delve.

Donor: The Organisation for Economic Co-operation and Development (OECD).
Capacity building program in West Africa on the OECD Due Diligence Guidance for Responsible Minerals Supply Chains


Locations: Burkina Faso and Mali.

Partner: Liptako-Gourma Region Integrated Development Authority.

Donors: The Organisation for Economic Cooperation and Development (OECD).
06.6 Impact on the territories

Africa
GHANA, REPUBLIC OF THE CONGO & CAMEROON
Projects

1. Implementation of the CRAFT Code in Ghana

**Objective:** To develop a model for the implementation of CRAFT by Solidaridad, from diagnosis to market linkage. Training on CRAFT. Identify market and financing opportunities for the ASM sector in Ghana.

**Donor:** Solidaridad.

2. Preparation of the Grant Phase in the Republic of the Congo

**Objective:** Create the project document and respective annexes for the GOLD+ project to be implemented in Congo (mercury elimination, formalization, market access).

**Donor:** United Nations Environment Programme Finance Initiative.

3. PRECASEM-filières in Cameroon

**Objective:** Study on trade channels for gold and diamonds.

**Donor:** PRECASEM
Fairmined is an assurance label that certifies gold from artisanal and small-scale mining, which implement responsible practices internationally recognized.
Fairmined certified mining organizations

**Colombia**
- Cooperativa Agrominera del municipio de Íquira
- La Unión
- Mina Chede

**Peru**
- CECOMIP
- Oro Puno
- MACDESA
- Cruz Pata

**Mongolia**
- Duush Mandal
- Shijir Khishig
1.375 miners are part of Fairmined certified mining organizations

169 Women

1.206 Men
This is the lowest figure during the last 5 years.

This behavior is a consequence of the global pandemic impacts generated by Covid-19 on the market.

With the support of gold industry stakeholders and the efforts of the Alliance for Responsible Mining to encourage the sourcing of ASM gold and the positioning of the Fairmined initiative, we are again stimulating the demand for Fairmined gold for the benefit of small-scale miners.
2020 was a challenging year for ARM, considering all the contingencies originated by the pandemic caused by Covid-19. As in other niches, the gold market was strongly impacted by a drop in gold supply and demand. The situation is expected to normalize once the restrictive measures are overcome and economies reach a point of stability.

Activities

Some strategic activities carried out with the international market:

- Visit to strategic licensees and visit to potential licensees.
- Participation in 3 trade fairs: Vicenzaoro, World Money Fair, Inhorgenta.
- Fairmined Meeting with licensees and suppliers.
- Work with a marketing agency - brand strategy consulting.

Sustainable Mines Program presentation

- We identified several potential interested partners.
Featured products in 2020

- The Peace Coin from the Monnaie de Paris, celebrating 75 years of peace in Europe.

- The first Fairmined gold plated coin and jewelry collections.

- Nobel Peace Medal made with Fairmined gold by the Mint Norway.

- Palme d’Or of the Festival Cannes cinema, made with Fairmined gold by Chopard.
Licensed brands and satisfaction levels:

- **266** licensed brands (jewellery and mints) working with Fairmined gold.
- **22** authorized suppliers (refiners, casters, traders and manufacturers) in **27** countries.
- **86** new licensed brands.
- **81.5%** satisfaction level of licensee brands and suppliers.

We managed to increase the conversion rate of leads to licensees from **17%** to **29%**.
Challenges in international markets

Since the beginning of 2020, the organization was in an unbalanced supply/demand situation, but with an ambition for a strong sales and marketing activation plan. Moreover, Covid-19 aggravated the situation, adding the following contingencies:

- The jewelry sector (main FM market) was significantly hit by the crisis, remaining almost without demand in the first half of the year.
- Large licensee brands cut their budgets and further lowered their purchase commitments with FM.
- The first half year of the crisis was a good time for proactive outreach and sales implementation plan, because brands had other priorities (survive); in the second half, brands focused on Christmas business and postponed FM to 2021.
- In Peru, supply chains, logistics and gold transportation were paralyzed by the difficulties caused by the Covid-19 pandemic.
A joint call to the industry:
include artisanal and small-scale mining in your supply chains

In 2020, more than 30 global organizations joined ARM to invite the industry to include minerals from the artisanal and small-scale mining sector in its policies and supply practices.
Conclusions for the year

- In 2020, the lowest sales in the last 5 years were recorded: 133 kg. This was due to external factors beyond the organization’s influence.

- Brands continue to increase their interest in purchasing Fairmined gold, and responsible gold from ASM.

- ARM continues to license many small brands despite the crisis. The organization also has a good relationship with large and medium-sized brands with more potential.

- ARM continues to position itself in the market with its new Sustainable Mines Program.
Financial statements

Operating budget 2020:

USD 1,029,495
Sources of funding

70% Development cooperation projects

19% Fairmined development and administration fee

7% Products and individuals

2% Industry and individuals

2% Financial income
Funds mobilized

As a result of its operations in 2020, the organization mobilized financial resources amounting to US$1,029,495 ($3,533 million of colombian pesos). From the above figure, 70% corresponds to income received from international cooperation projects, which amounted to US$719,468 ($2,469 million pesos). Within this same flow of resources, the figures of $23,525 USD ($80 million pesos) and $70,578 USD ($242 million pesos) for income from industry and individuals and income from products and individuals were noteworthy, with increases of 45% and 500%, respectively.

Fairmined development and administration fee income amounted to US$199,791 (Ps. 685 million), and financial income was US$16,133 (Ps. 55 million).

<table>
<thead>
<tr>
<th>Sources of funding</th>
<th>In USD</th>
<th>In COP</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Cooperation Projects</td>
<td>$ 719.468</td>
<td>2,469.573.991</td>
<td>70%</td>
</tr>
<tr>
<td>Industry and individuals</td>
<td>$ 23.525</td>
<td>80.747.896</td>
<td>2%</td>
</tr>
<tr>
<td>Products and services</td>
<td>$ 70.578</td>
<td>242.258.340</td>
<td>7%</td>
</tr>
<tr>
<td>Fairmined development and administration fee</td>
<td>$ 199.791</td>
<td>685.782.137</td>
<td>19%</td>
</tr>
<tr>
<td>Financial Income</td>
<td>$ 16.133</td>
<td>55.377.960</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,029.495</strong></td>
<td><strong>3,533.740.325</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>