



ORIGINALLUXURY

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ALLIANCE FOR RESPONSIBLE MINING



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The Alliance for Responsible Mining (ARM) was established in 2004 and is a leading global expert on artisanal and small-scale mining (ASM). We work to transform the ASM sector into a socially and environmentally responsible activity, while improving the quality of life of artisanal miners, their families and communities.

The Fairmined Premium - An introduction to the Fairmined premium Report 2022 : Get access to the full Fairmined premium report here:

<https://fairmined.org/wp-content/uploads/2023/10/Fairmined-premium-report-2022-English.pdf>

FAIRMINED: A PATH TO POSITIVE CHANGE

Almost 20 years ago, the Alliance for Responsible Mining (ARM) introduced the Fairmined Standard to the world, offering a structured pathway towards a responsible artisanal and small-scale mining that progressively transforms the lives of miners, their families, their communities, while also mitigating the negative environmental impacts associated with this activity.

With the Fairmined Standard as a cornerstone, ARM has collaborated with miners, companies, foundations, governments, cooperation agencies, and mineral buyers, among others, all interested in contributing to this cause. It has engaged in co-creating methodologies and social technologies, generating insights into ASM, fostering multi-sectoral partnerships, and influencing both national and international legislations to create more favorable conditions for responsible artisanal and small-scale mining worldwide.

Through a systemic and innovative approach, ARM has developed concrete ways for enhancing the responsibility of this sector. It has also facilitated the transfer of resources to the ASM sector, enabling positive changes that would have otherwise been impossible without donations or an actively responsible market. In addition, it has ushered sustainability into the achieved improvements by helping to build responsible commercial alliances between buyers and certified mines, ensuring fair prices for minerals and additional premiums.





Specifically regarding certified mines, in 2022, over 1,194 artisanal and small-scale miners across 7 certified mines committed to carrying out their mining operation responsibly, which involved the implementation of best practices in various categories:

- Environment (with a special focus in mercury and other climate change-related factors) and Productivity
- Social, gender, and labor conditions
- Health and safety
- Traceability and management

In addition to these best practices, commercialization strategies have been fundamental in helping these mines to become viable responsible enterprises. And thanks to on-ground efforts and the commitment of 413 sector companies, in 2022 certified miners achieved continuous enterprise development, invest in member well-being, community advancement, and territorial improvement, all made possible through fair prices and premiums received for their Fairmined minerals.

During 2022, six Fairmined mines successfully sold their Fairmined gold and silver within responsible markets, receiving both the international market price and the Fairmined premium.

In Colombia, these mines included:

- Chede Mining Organization
- Agromining Cooperative of the Municipality of Íquira
- La Gabriela Mine



In Peru, the certified mines were:

- Cecomip Mining Organization
- Oro Puno Mining Organization
- Cruz Pata Chaquiminas Mining Organization

Since 2014, certified mining organizations have collectively received over **\$6.8 million** through the **Fairmined premium**, funds channeled towards maintaining their best practices and progressively deepening their commitment to multiple stakeholders.

The results achieved over these years stand as a testament that it is possible to transform the reality of the ASM sector. It has also inspired diverse interventions and organizations that have contributed to this agenda in various capacities. ARM takes pride in its pioneering efforts, which have served as a source of inspiration for these new organizations and initiatives, garnering even greater support for the global positive transformation of the ASM sector.

From this perspective, the impact of the Fairmined Standard extends beyond the immediate influence on the lives of certified miners, their families, communities, and local environments, as well as the buyers of this responsible mineral. This impact goes widely far beyond and we thank everyone who has joined us on this remarkable journey, turning the seemingly impossible into a reality.

This report is both a recognition of the achievements made possible by the investments from the 2022 premium and an invitation to ARM's allies and partners to continue supporting the Fairmined initiative. For those who are considering joining us in this significant cause, ARM welcomes your participation, as together, a greater and more profound difference can be achieved.

Key Figures in 2022

6 CERTIFIED SMALL-SCALE MINING ORGANIZATIONS ENTITLED TO A PREMIUM OF USD 541,481

130.31 KILOGRAMS OF FAIRMINED GOLD AND 5.55 KILOGRAMS OF FAIRMINED SILVER WERE SOLD TO THE INTERNATIONAL FORMAL MARKET BY 6 CERTIFIED MINES

A TOTAL OF USD 6,838,930 IN FAIRMINED PREMIUM HAS BEEN PAID TO CERTIFIED MINING ORGANIZATIONS SINCE 2014

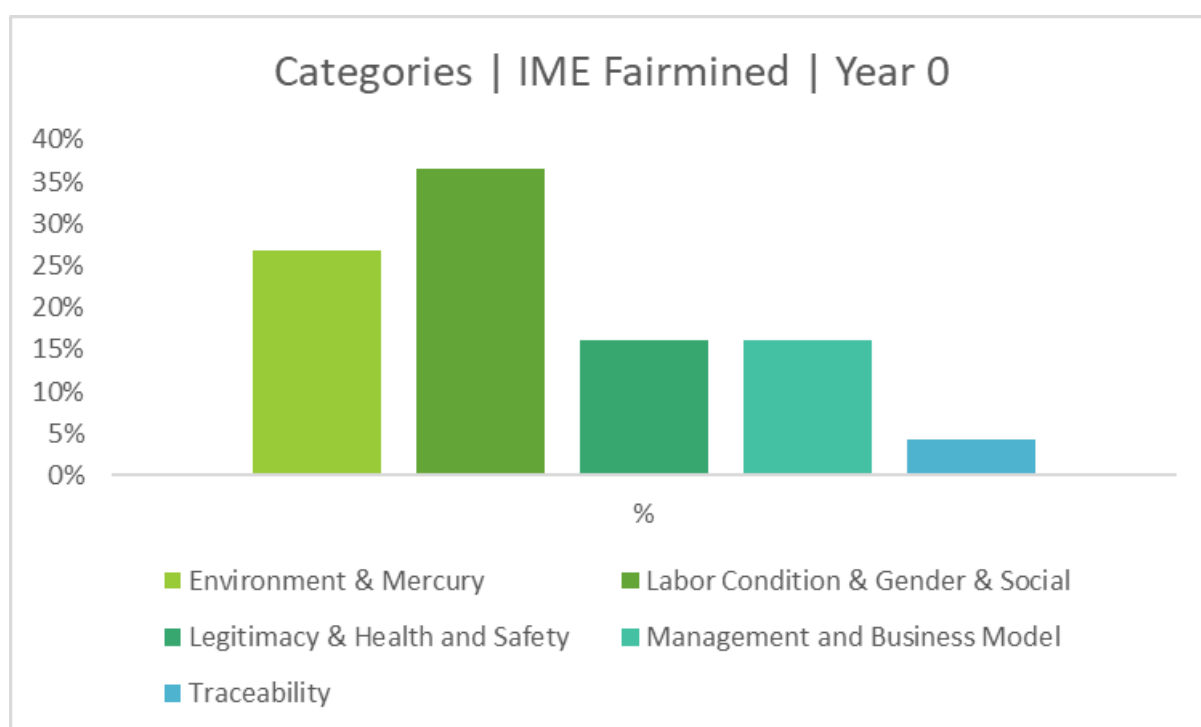
WHAT IS THE FAIRMINED CERTIFICATION?

The Fairmined certification is the guarantee that an artisanal and small-scale mining organization (ASMO) complies with the requirements of the Fairmined Standard, developed by the Alliance for Responsible Mining (ARM).

To assist ASMOs to assess their status and chart a course towards continuous improvement, thereby fostering greater responsibility towards all stakeholders, ARM has pioneered the creation of an assessment tool known as the Integral Mining Evaluation (IME).

The IME contextualizes the Fairmined Standard within the ASMO's specific circumstances, enabling ARM, the mines, and any other partners to understand the status of each mine in line with the Standard and pinpoint its specific areas of focus. These identified priorities form a foundation for a sustainability plan, and through its implementation, the mine develops its practices to the extent that it qualifies for Fairmined certification to become part of the pool of artisanal and small-scale mining organizations recognized as leaders in responsible practices within the ASM sector.

For a mine to be deemed ready for a third-party certification audit, especially when being certified for the first time, it must exhibit high compliance, scoring a minimum of 93 in the evaluation criteria, distributed across various categories:



As the Fairmined Standard is designed to be progressive, the IME tool mirrors this progression. Depending on the number of years the mine has been part of the Fairmined family, it will be required to comply with an additional set of criteria outlined in the IME to qualify as a candidate for recertification.

ASMO	Year of certification
La Gabriela Mine	1
Cruz Pata Chaquiminas Mining Organization	2
Oro Puno Mining Organization	5
Cecomip Mining Organization	6
Chede Mining Organization	3
Agromining Cooperative of the Municipality of Íquira	6

WHAT IS THE FAIRMINED PREMIUM?

A PREMIUM THAT TRANSFORMS LIVES AND SHAPES THE FUTURE

The Fairmined premium stands as an economic recognition, empowering Fairmined certified mining organizations to not uphold their best practices but also advance them. It also aims at improving the well-being of their members and families while fostering social, economic and environmental development within the territories they are part of.

For every kilogram of Fairmined gold sold, certified organizations receive \$4,000 in premium. Organizations holding the ecological Fairmined certification (complying with the Fairmined Standard and additional more progressive requirements) receive \$6,000 for every kilogram of gold sold. Similarly, for every kilogram of silver sold, certified organizations receive \$100 for Fairmined silver and \$150 depending for ecological Fairmined silver.

To use these resources, each mine establishes a Premium Committee comprising representatives from diverse sectors and hierarchies within the mine. This committee is responsible for mapping the needs and prioritizing investment using the premium resources, all while considering the ASMO's financial counterpart.

These priorities are then structured in a Fairmined Premium Investment Plan, which is implemented by the mining organization and monitored by the mine's Premium Committee with the support of ARM, following established procedures, formats and rules governing premium utilization. These investment plans not only take into account the ASMO's context and primary stakeholders, but also align with the premium's pre-defined objectives.

FAIRMINED PREMIUM, ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) CRITERIA, AND SUSTAINABLE DEVELOPMENT GOALS

IMPACT ON MINING COMMUNITIES

For ARM, responsible artisanal and small-scale mining entails more than merely correcting, mitigating, or compensating for the social and environmental negative impacts derived from mining activities. It also involves actively promoting best practices that empower miners, their families, communities and territories. In this context, we believe in the importance of the ESG approach (Environmental, Social and Governance criteria) as a pathway to raise awareness about the potential for positive change, serving as an important tool to showcase the positive impacts achieved within ASMOs, mining communities and territories. By doing so, multiple stakeholders can access and understand these achievements and explore ways to engage and contribute to this cause, ultimately contributing to build a future where responsible ASMOs set the Standard.

The importance of ESG criteria in the responsible mineral industry also aligns with the United Nations Sustainable Development Goals (SDGs). In our pursuit of a more responsible ASM sector, we employ ESG criteria to make contributions towards the following SDGs:



SOCIAL:

Obtaining the Fairmined certification is crucial, but the true key to its sustained success lies in maintaining this certification and facilitating access to fair and international markets for the mines. Such access not only ensures fair compensation in alignment with international gold prices but also secures the receipt of the Fairmined premium. These factors are key in the viability of projects and activities that enable ASMOs to uphold and advance their best practices, achieve these results and serve as positive models of responsibility within the ASM sector.

WHAT ARE THE LEVELS OF RESPONSIBILITY OF THE FAIRMINED PREMIUM?

The Fairmined premium is strategically invested to foster the development of the following levels of responsibility:

1. STRENGTHENING THE MINING ORGANIZATION'S RESPONSIBLE PRACTICE AND PRODUCTION SYSTEM
 - Investments aimed at improving the productivity of the mining organization, upholding best practices and complying with new practices demanded by the Fairmined Standard's progressive nature. In this level of responsibility, most of the investments are channeled into categories such as environment (including mercury reduction or elimination plans), gender equity, legitimacy, occupational health and safety, management, business model, and traceability.

2. ENHANCING THE WELL-BEING OF WORKERS AND THEIR FAMILIES

- Investments aimed at improving the quality of life for the members of the mining organization and their families. In this level of responsibility, most investments are designed to improve social and/or labor conditions.

3. FOSTERING COMMUNITY DEVELOPMENT

- Investments and projects aimed at benefiting the communities surrounding the mining operation and the broader territory. In this level of responsibility, most investments fall into the categories of social and/or environment conditions.

CLIMATE CHANGE MITIGATION: A CONTRIBUTION FROM ASM

At the Alliance for Responsible Mining (ARM), we recognize that the journey towards a more responsible ASM with better environmental, social, and governance practices requires a gradual and progressive approach. We firmly believe that promoting collaborative and coordinated efforts among key stakeholders within the supply chain, including miners, industry players, government entities, civil society organizations, impact investors, is essential to achieving this goal.

To this end, we have developed the Sustainable Mines Program (SMP) as our comprehensive roadmap. This provides a framework for all stakeholders to collaborate and align their actions, leveraging the principles outlined in the CRAFT Code and the Fairmined standard, promoting best practices in ASM and encouraging the responsible sourcing of gold by the market. In addition, the SMP is tailored to meet the diverse needs of stakeholders taking into account all of the existing possibilities to promote positive change in the ASM sector.

Through the implementation of sustainability plans, supported by funding from actors within the supply chain, and with our guidance and support, mining organizations enhance their performance, demonstrating tangible results of their responsible practices which are based on Environmental, Social, and Governance (ESG) criteria, and bringing positive impacts to their communities.

ENVIRONMENTAL IMPACT

As part of this, environmental issues have always been at the core of our strategies to support artisanal and small-scale miners on their path to continuous improvement. An example of this is the environmental criteria of the CRAFT Code that mines must comply with, which are verified through mining assessments involving a total of 22 criteria related to Modules 2 and 5. Similarly for the Fairmined standard, the assessment has 37 criteria distributed progressively according to the year of certification. It is also important to highlight the Forest-Smart Mining (FSM) standard.

Therefore, significant results related to the mitigation of negative environmental impacts are achieved as mining organizations progress through the stages of the Sustainable Mines Program. This progress is made possible through mining assessments conducted by our ARM team together with miners. Additionally, sustainability plans adapted to their specific contexts are implemented in alliance with the mining organization and other partners.

However, in the face of global challenges posed by the current planetary crisis, in ARM we are deepening our focus on effective strategies where ASM can contribute to mitigating negative environmental and social impacts, particularly in addressing climate change, biodiversity loss, and water source contamination.

In the same vein, our ARM team has been exploring strategies to increase the resilience of mining communities, which face high levels of vulnerability associated with climate change and biodiversity loss.

MERCURY FREE GOLD

A significant milestone in promoting mercury-free ASM was the alliance we formed with the PlanetGold program, aimed at significantly improving production practices and working conditions for artisanal and smallscale miners. Additionally, we promote bridging the financial gap, supporting formalization efforts, and connecting mining communities that implement mercury-free technologies with formal markets. In 2022, 27 artisanal and small-scale mining organizations received support within the framework of the CRAFT Code and the PlanetGold Program. Actions aimed at eliminating the use of mercury in mining activities were carried out in all of these organizations.

Two organizations achieved significant milestones: AGROMIN reached CRAFT compliance, and La Gabriela was in the first year of Fairmined certification compliance.

In Peru, the Green Mining project, implemented by nonprofit organizations Pure Earth and ARM and funded by the global jewelry company Brilliant Earth, supports mining organizations in the Amazon region in adopting mercury-free practices. The project also focused on restoring degraded Amazon rainforest areas affected by gold mining through reforestation. Nearly 50 miners from the Tauro Fátima Artisanal Miners Association (AMATAF), composed of mining organizations Fátima, Abel 3, El Principe Azul 1, and Linda 2 in Madre de Dios, are part of this initiative.

These mining organizations began their journey in the Embracing stage of the Sustainable Mines Program in 2022 and are on their way to becoming a benchmark for responsible mining in the region. The good practices they are implementing will help them meet the strict requirements of the Fairmined Standard to sell their gold in international markets at a fair price.

Additionally, in Peru, there are two certified ecological Fairmined mines, CECOMIP - Francisco I - and Oro Puno, which means they do not use any chemicals in their extraction and processing, demonstrating their environmental commitment.

CARBON FOOTPRINT ASSESSMENT

As pioneers in the field, ARM has developed a carbon footprint assessment tool for the ASM sector using a methodology based on the NTC ISO14064 technical standard and the criteria established by the Intergovernmental Panel on Climate Change (IPCC) reports. The results of the pilot application in three mining organizations in Colombia (La Gabriela, El Cangrejo, and Golondrina) provide important clues on how to progress towards potential pathways to low-carbon Artisanal and Small-Scale Mining (ASM). Some priorities on this path include:

- Conducting carbon footprint assessments for other mining organizations, particularly for certified mining organizations.
- Implementing actions that promote the reduction of the carbon footprint in each of the mining organizations we work with, based on available funding.

OTHER IMPLEMENTED ACTIVITIES

In line with our commitment to climate change mitigation and environmental protection, our Mining Sustainability Team strengthened its strategy by developing procedures, metrics, indicators, and tools for the effective monitoring of environmental best practices implemented by mining organizations. These actions include the utilization and recirculation of water, reforestation, proper management of hazardous substances, and waste management.

This is part of the Alliance for Responsible Mining annual Report:

<https://www.responsiblemines.org/wp-content/uploads/2023/07/ARM-Annual-Report-2022-.pdf>

SANU KURA PROJECT CLOSES IN BURKINA FASO SUPPORTING THE FORMALIZATION OF 1.000 MINERS

Over 4 years (2019-2023), the SANU KURA project provided a pathway to a promising future for artisanal and small-scale mining (ASM) in Burkina Faso. Funded by the European Union through its Instrument Contributing to Stability and Peace (IcSP), this ambitious project transformed the mining landscape by creating legal and viable production and marketing channels. The results are positive for the mining communities involved in economic, social and environmental aspects in Burkina Faso.

The SANU KURA project has had a significant impact on local communities, benefiting 2,456 people, including 982 men and 1,474 women. It has provided essential support for the creation of 23 mining groups, comprising 17 associations and 6 cooperatives (7 associations and 3 cooperatives in the Centre-North, 6 associations and 3 cooperatives in the Centre-West and 4 associations in the South-West).

The SANU KURA project is a model of success in promoting responsible and sustainable artisanal and small-scale mining in Burkina Faso. Through its considerable efforts in the areas of health, safety, environment, social organization, economy and technology, it has left an indelible mark on the country's development. The positive impact of this project will last well beyond its closure in 2023, making Burkina Faso an example of artisanal and small-scale mining worldwide.

Learn about the main positive impacts of the project:

ENVIRONMENTAL PROTECTION

The project took important steps to promote environmentally friendly mining techniques. It implemented waste and effluent management systems at 9 mining sites, contributing to the preservation of local ecosystems. In addition, the project was able to significantly reduce the use of mercury at 6 mining sites, representing an important step towards environmental sustainability.

IMPROVEMENTS IN OCCUPATIONAL HEALTH AND SAFETY

The SANU KURA project put safety at the center by training 36 workers in good health and safety practices, including first aid. It also raised awareness among more than 1,000 workers about the risks associated with the use of mercury, thus helping to protect the health of artisanal miners. Thanks to this project, 3 mercury-free processing plants were set up at the Memer, Guido and Pagdin mining sites, and 06 in rotation at the mining sites (Pagdin, Guido, Bepoidyr, Poa, Urbi and Memer), and carried out crucial awareness-raising campaigns on the dangers of mercury.

In addition, personal protective equipment (PPE) was provided to each mining organization to improve safety in the field. The project also implemented emergency protocols and accident response plans at 9 mining sites, ensuring a rapid response in case of need. In addition, a medical assessment related to mercury exposure of 9 artisanal miners was carried out, further strengthening health surveillance.

A comprehensive report on the management of the COVID- 19 pandemic at the 10 mining sites was also produced.



SOCIO-ORGANIZATIONAL DEVELOPMENT

The project developed 3 multi-stakeholder local action plans based on the discussion and engagement of the different actors involved in local governance. In addition, 10 improvement plans were developed and validated for each mining site, covering aspects such as human rights, reproductive health, community governance, financial education, health, safety and hygiene at work.

In addition, the project trained 45 civil servants and public sector actors in standards of responsible business conduct in relation to conflict minerals and other natural resource extraction.

A participatory communication strategy was developed to raise awareness of priority issues for mining communities and interactive radio and TV programmes were organized.

Supply chain, technology and economic opportunities

The SANU KURA Project has opened up new economic perspectives for artisanal miners, in particular the creation of economic opportunities in the artisanal mining sector through the connection to the formal market on the basis of responsible production models – CRAFT or FAIRMINED – that respond to the expectations of the sector.

As a result, 60% of the mining sites have significantly improved their level of formalization in relation to the CRAFT Code and the Fairmined Standard. As a result, more than 1,000 partially or fully formal jobs have been formalized in pilot sites and related activities. This represents an important and responsible step forward for the artisanal gold mining sector in Burkina Faso.

In addition, 500 women were trained in saponification, financial literacy, business plan development, credit application procedures and support for poultry and small ruminant rearing through endowments, thus strengthening their knowledge and capacity to thrive in the sector.

The project has also contributed to improving the gold supply chain by identifying actors, providing training on the CRAFT Code, strengthening traceability of the gold produced and meeting the requirements of the formal gold market in the case of Memer.

Finally, the SANU KURA project has adopted innovative technologies to optimize mining processes, the development of environmentally friendly ore processing methods and the implementation of technological solutions for mining data management with the MAPE Progress App digital platform.



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