



# FAIRMINED PREMIUM REPORT 2020





**MINA**  
CHIDE  
TRABAJANDO POR UN  
FUTURO SOSTENIBLE

EVERY GRAM  
**COUNTS**  
TO CONTRIBUTE  
TO THE POSITIVE  
TRANSFORMATION  
OF MINING COMMUNITIES



## FAIRMINED PREMIUM 2020

### *CHOOSING FAIRMINED GOLD MAKES IT POSSIBLE TO IMPROVE THE QUALITY OF LIFE OF SMALL-SCALE MINERS*

The Fairmined premium is an economic incentive that promotes the social, environmental and economic development of certified artisanal and small-scale mining organizations. Its objective is to generate a positive impact both on the workers of the organization and on the community that surrounds them, positively transforming their living conditions. In uncertain times such as these, the premium becomes vital to allow certified mining organizations walk through the path to ethical mining.

### **WHO PAYS FOR THE FAIRMINED PREMIUM?**

All the actors of the gold supply chain who are part of the Fairmined initiative (refiners and traders, jewelers, mints and consumers), contribute to the payment of the Fairmined premium, helping to the well-being and development of mining communities.





## EACH MINING ORGANIZATION RECEIVES:



**4.000 USD** per kilo of gold sold



**6.000 USD** per kilo of ecological  
gold sold (without chemicals)

## HOW IS THE FAIRMINED PREMIUM USED?

The premium is invested in a way  
that encourages and promotes the  
development of the following levels:

1

**STRENGTHENING  
MINING  
ORGANIZATIONS**

2

**WORKERS'  
WELFARE**

3

**COMMUNITY  
IMPACT**



## SUSTAINABLE DEVELOPMENT GOALS

All investments performed by Fairmined certified mining organizations contribute to the achievement of the 2030 Agenda proposed by the United Nations, through the Sustainable Development Goals.





**THE TOTAL FAIRMINED  
PREMIUM ACCRUED  
UNTIL 2020 WAS OF  
\$5.844.914 USD**

**DURING 2020  
\$537.732 USD  
PREMIUM WAS PAID  
TO FAIRMINED CERTIFIED  
MINING ORGANIZATIONS**

**138.2 KILOGRAMS  
OF FAIRMINED GOLD  
WERE SOLD TO THE  
INTERNATIONAL MARKET**





COLOMBIA



# CHEDE

The mining operation Mina Chede is located near the municipality of El Tambo, in the Cauca department of Colombia. El Tambo is a mining region where one-half of the population is engaged in mining and the other half in agriculture, especially coffee, agave, sugar cane, and pine.

Today, about 100 people depend on Mina Chede. The organization constantly promotes the workers' education to improve their and their family's quality of life.

## LOCATION:

Cauca, Colombia

## CERTIFIED SINCE:

October 2018

## NUMBER OF WORKERS:

44 men and 5 women

## TYPE OF EXTRACTION:

Underground

## DATE OF FOUNDATION:

2007





### COVID-19 PANDEMIC IMPACT

Chede's activities were suspended for one month at the beginning of the pandemic due to the intense pressure of the traditional local authorities that instituted a strict preventive lockdown in this marginalized region. It was the first time that the mine was forced to suspend its activities. It has had severe consequences for its financial health. **During those months, Chede was able to maintain payroll thanks to the Fairmined premium, while the rest of the mining organizations of the region were forced to suspend their workers' salaries.**

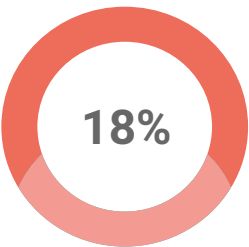
The adoption of efficient biosecurity protocols has been another great challenge for Chede. The local authorities approved these protocols before the reopening of the mine. Several measures were taken to prevent the spread of the virus (ex: regular antigenic tests, barrier gestures, use of personal protective mask).



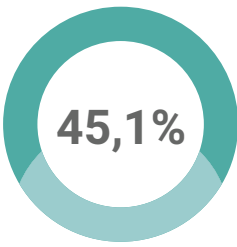
The organization finally registered a few cases of Covid. The implementation of those protocols seems to have prevented the spread of the virus among the collaborators.

The pandemic has also made the development of Chede's Fairmined sales more difficult. However, thanks to the support of their local and international buyer, the organization was able to globally maintain its sales of certified gold.

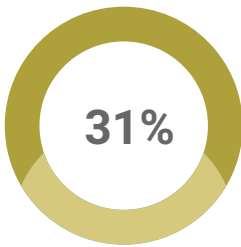
# FAIRMINED PREMIUM USE



was allocated to improve the conditions of the workers and their families.



was saved for future projects.



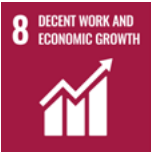
has been spent to enhance the Fairmined production system.



was dedicated to the community.

## 1

## STRENGTHENING MINING ORGANIZATIONS



**Purchase and installation of a new power plant** to operate the transformation plant despite the frequent power outages in the area and ensure the power supply of all the plant's machines.





**Implementation of a phytoremediation system to treat the residual waters produced by their processing plant.** Even if the mine has stopped using mercury in its processes, it still relies on cyanide to separate the gold from the rest of the mineral. This process will decrease the mine's environmental footprint by partially decontaminating the waters and reducing electricity use (as this system doesn't require any).



**Improvement of the ecological collecting points.** Since there is no collection car in the area, a separation process is performed by the mine. The waste transport is also coordinated by Chede to the closest town (Popayán) to guarantee their proper handling and processing.

**Installation of its first system of constructed wetland.**

# 2

## WORKERS' WELFARE



**Improvement of the sanitary and health facilities of the mining organization:** finishing of the construction of three new toilets for the workers (one set exclusive for women workers).

**Health Day for the workers:** on this day, all Chede's workers could get a medical checkup.

**Purchase of equipment and protective elements to prevent the spread of COVID-19.**



# 3

## COMMUNITY IMPACT



**Training and development of solid and chemical waste management faculties for your team.**



**Financing of the construction of a children's playground in the primary school of Fondas.**

Participation in the rehabilitation of the Community action Board House.

Rehabilitation of the house of a mineral selector and her family.

# ÍQUIRA

The Cooperativa Agrominera Íquira is made up of families of farmers who for generations planted coffee and at the end of the year 2,000 began to extract gold. Therefore, Iquira miners are leveraging this relatively new community activity to drive positive local change.

Because artisanal mining can have adverse effects if not done correctly, the cooperative members have been eager to learn about and how to implement the responsible social and environmental practices learned through their Fairmined Certification since 2014. This is the mining organization in Colombia with the longest time to be certified with the Fairmined Standard.

## **LOCATION:**

Huila, Colombia

## **CERTIFIED SINCE:**

August 2014

## **NUMBER OF WORKERS:**

138 men and 5 women

## **TYPE OF EXTRACTION:**

Underground

## **DATE OF FOUNDATION:**

2004



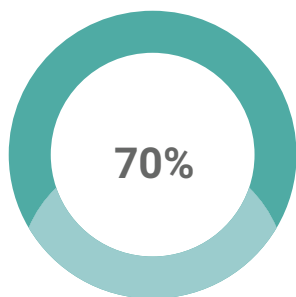


## COVID-19 pandemic impact

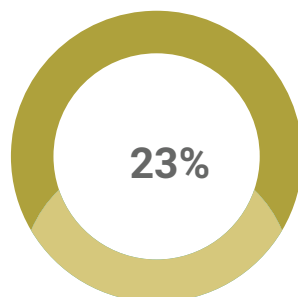
Iquira suspended its activities during April, 2020, as they wanted to monitor the evolution of the sanitary crisis. The pandemic also greatly affected the sales of the organization. Iquira was proud to say that they could export 100% of its production and sell most of it under the Fairmined label, but this has become more difficult since 2020.

I most of it under the Fairmined label, but this has become more difficult since 2020. The logistics costs increased dramatically due to the suspension of the international commercial flights and the restrictions of the logistic companies. As a result it became harder and harder to finalize the exportation processes. **The demand for gold also decreased with the increase of the international price of gold. They managed to maintain part of their sales thanks to the good commercial relationships developed with several buyers.**

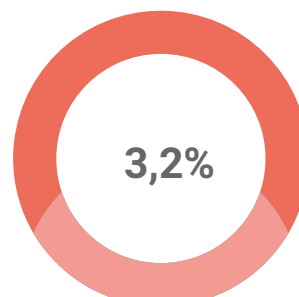
## FAIRMINED PREMIUM USE



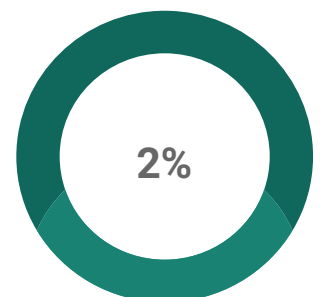
was invested in the improvement plan of the organization.



was saved for future events.



was used to support the community.



was used for the improvement of the workers and their families' conditions.

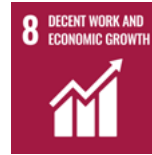


# 1

## STRENGTHENING MINING ORGANIZATIONS

**Improvement of the security in the mines.** A special effort was made to prevent accidents in the pits by reinforcing the team's training to handle the electric systems better. The mine's multi detectors, that control the quality of the atmosphere within the mines and thus prevent the risk of explosion or intoxication were also checked to guarantee their proper functioning. The mines were also equipped with oxygen escape apparatus that allowed the miners to breathe while escaping the mine in case of an accident.





**Requesting an unconfined compression test of several rock specimens.** The goal was to determine the rock properties and its bearing capacity. This type of test is crucial to prevent the risk of mine collapses and ensure the solidity of the mine tunnel.

**Financing of the annual training sessions of mining rescuers.**



**Investment in a study to verify the quality of the surface waters of the mining concession and assess any possible contamination.**

**Coverage of the costs of recertification of the organization:** this process required a specialist to visit the mining site.

# 2

## WORKERS' WELFARE



**Purchase of equipment and protective elements to prevent the expansion of COVID-19.** Sanitary kits were donated to each worker in the mines and processing plants.

**Financial support in case of illness or calamity:** This year, two workers received this type of help to cope with the illness or death of one of their relatives.





# 3

## COMMUNITY IMPACT

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



10 REDUCED  
INEQUALITIES



3 GOOD HEALTH  
AND WELL-BEING



5 GENDER  
EQUALITY



10 REDUCED  
INEQUALITIES

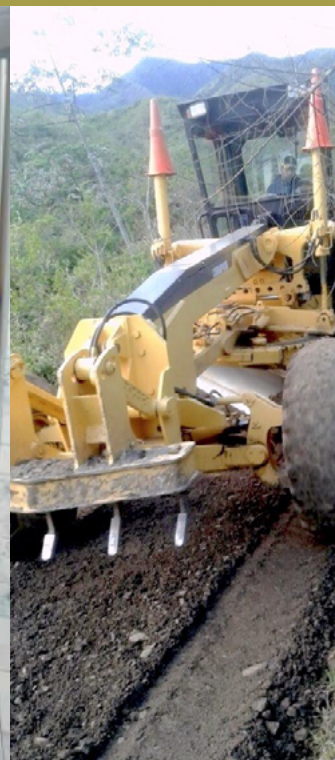


**Road improvement:** access and transportation in rural areas can be a great challenge. The mining operation participates actively in the maintenance of the roads surrounding the village of Pacarni. This year they also invested in improving the signage at these roads.

**Support to community members in case of calamity:** the organization also provides financial support to community members facing difficult situations. This year three people received help.

**Contribution to the international day of women's rights** in the town of Tesalia (Huila)

**Support to small village beautifying projects.**





A woman wearing a red hard hat and a dark jacket is working on a large industrial pipe. The pipe has several yellow valves. She is looking directly at the camera. The background is a construction site with wooden beams and a dirt ground.

# PERU



# MACDESA

Minera Aurífera Cuatro de Enero S.A. – MACDESA is a mining organization located half a kilometer from the centro poblado menor Cuatro Horas (Arequipa), founded as a result of the intense mining activity in the area.

MACDESA, since its inception, has provided the community with essential services such as electric lighting, water supplies, and health services through the company's nursing station, which is available to everyone. Similarly, the organization supports the children's education by partnering with local schools and hiring teachers.

## LOCATION:

Chala, Peru

## CERTIFIED SINCE:

2017

## NUMBER OF WORKERS

85 men and 6 women

## TYPE OF EXTRACTION

Underground

## DATE OF FOUNDATION:

2002

## COVID-19 PANDEMIC IMPACT

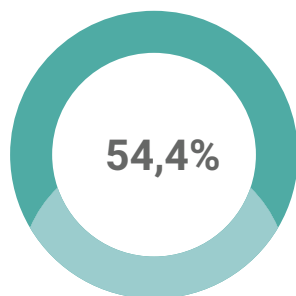
With the instauration of a State of emergency decree in Peru since mid-March 2020, MACDESA saw all its activities deeply affected by the restrictions imposed on the circulation of people but also the decrease of the trade of products essential to the mining activities (fuel, explosives, personal protection equipment). Thus the organization was forced to suspend its activities entirely from May to June.

In July, activities were resumed but with only 50% of the staff to comply with biosecurity requirements. Despite all the precautions, numerous workers were infected with COVID-19. Some of them contracted severe forms and were interned in intensive care for long months. Sadly, two of them died in 2020.

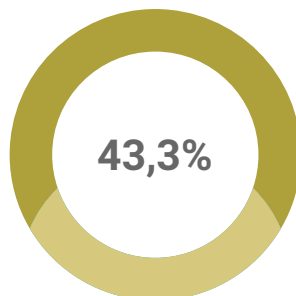
Sales and exportation have also been deeply impacted. This can be partly explained by the suspension of the international flights in Peru and the increase of the local logistic cost, which has made exporting not economically viable. The surge of the gold price, the crisis of the gold industry, and the general uncertainty that has decreased the demand for certified gold deeply harmed the organization.



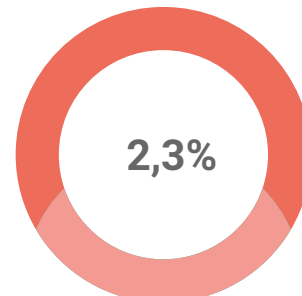
## FAIRMINED PREMIUM USE



was used for the improvement of the Fairmined production system.



was invested in the improvement of the workers and their families' conditions. These expenses have mainly served to respond to the pandemic contingency.



was saved for future implementations.

# 1

## STRENGTHENING MINING ORGANIZATIONS

**Continuation of the project to expand the mine ramp: this long-term project began in 2018 to increase the mine productivity.** In 2020, the mine had been deepened and reached 1.5km by the end of 2020 (1km in 2019). In addition, investments have been made to improve the ventilation of the pit to improve the miners' working conditions and fulfill legal safety and health requirements at work.



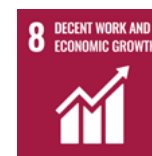
### **Purchase and installation of drag winches:**

this equipment reduces rudimentary processes by facilitating the transport of ore in a mechanized way, including prop loads, such as wood, and supporting the progress of mining work. The investment contributed to reducing the number of workers assigned to the transfer and transportation of minerals.



### **Improvement of the laboratory equipment:**

purchase of a control panel for the smelting furnace that will make it possible to improve the accuracy of the smelting processes of gold, silver, and their alloys.



### **Improvement of safety and health conditions in the mine:**

the pandemic has imposed the need to invest in equipment and medicines (masks, alcohol, digital thermometers, and respirators). To guarantee the implementation of the biosecurity protocols and to be able to respond to medical emergencies, the mine also had to formalize its biosafety policy and regulations.

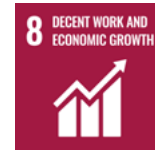


# 2

## WORKERS' WELFARE



**Financial support in case of COVID-19 infection or deaths:** For each positive case of Covid-19 for the partners or one of their relatives, a subsidy was granted to help them cope with medical expenses related to the illness. A special indemnity has also been established in the event of death.



**Adaptation of the camp to biosecurity standards:** the new rules for social distancing have led to the expansion and construction of five new dormitory modules. One of the canteens has also been expanded following the same logic.

**As every year, the mine has maintained its program of provision of personal protective equipment** (boots and vests, among others) and personal hygiene supplies for its workers.

**LOCATION:**

Puno, Perú

**CERTIFIED SINCE:**

August 2016

**NUMBER OF WORKERS:**

138 men and 60 women

**TYPE OF EXTRACTION:**

Alluvial

**DATE OF FOUNDATION:**

2002

## CECOMIP

CECOMIP LTDA (La Central de Cooperativas Minero Metalúrgicas de Puno) is located in the district of Ananea, approximately 4,700 meters above sea level. Amidst other informal mines that exist in the area, CECOMIP stands out for being a certified Fairmined mine committed to sustainability. CECOMIP's people are its main capital and certification was possible thanks to their motivation. The cooperative's people committed to responsible mining practices and therefore made it possible to meet the organizational, labor, environmental and traceability requirements of the Fairmined Standard and obtained the certification in August 2016. They have been renewing its Fairmined certificate every year since then.



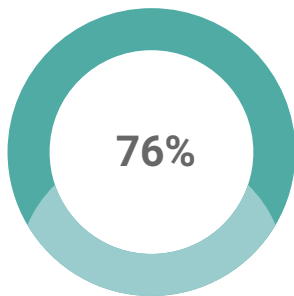
## COVID-19 PANDEMIC IMPACT

CECOMIP activities were suspended with the instauration of a State of emergency decree in Peru from mid-March 2020 to July 2020.

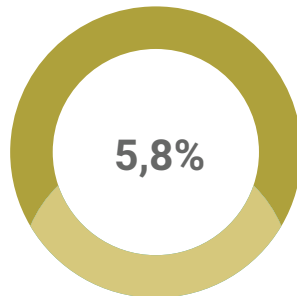
Like all Fairmined certified organizations, CECOMIP developed its own biosecurity protocols. ARM local team supported the miners in elaborating these protocols, involving periodic Covid tests, social distancing measure, and adequation of the installations.

The main repercussions of the pandemic were productive and commercial. The production capacities of the mine have been greatly affected by the suspension of its activities. The mine was not able to export for several months. They were only able to export from September on. The logistic costs were multiplied and increased so much that it became too expensive to export

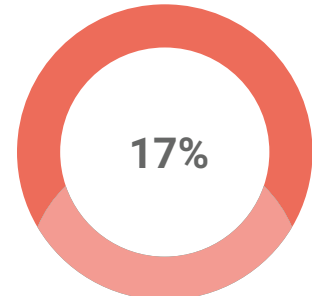
## FAIRMINED PREMIUM USE



was used for the improvement of the workers and their families' conditions.



was invested in the improvement plan of the organization.



was saved for future projects.

# 1

## STRENGTHENING MINING ORGANIZATIONS

Construction of new Cecomip offices in Ananea. For years, the offices of the cooperative were located in a few prefabricated houses. This type of construction isn't adequate for the adverse climatic conditions of the mining site, where temperatures in some seasons can be as low as -15C°.



To achieve this project, the organization has accumulated the premium for several years. Finally, the construction started at the end of 2019 and it was finalized during the pandemic.

This building was initially constructed to serve as a multipurpose place that could host the administrative services of the mines, and meeting spaces. It was also used as a fortune camp for the CECOMIP team. This building has allowed the organization to comply with the social distancing requirement set by the biosecurity protocols.

Coverage of the costs of Fairmined recertification of the organization: This process has required the visit of a specialist to the mining site.





## ORO PUNO

The Oro Puno mining organization was established in 2010. It is located in the Ananea District, in Puno department.

Oro Puno is committed to the care and conservation of the environment. In 2016, they acquired a gravimetric table to carry out its recovery process without the use of mercury or cyanide. Thus, becoming a responsible and ecological mine.

Afterwards, in 2018, Oro Puno became the first Peruvian mining organization in the sector to obtain the Fairmined ecological gold certification, which means mercury and cyanide are not used in its extraction and production process.

### **LOCATION:**

Puno, Perú

### **CERTIFIED SINCE:**

2018

### **NUMBER OF WORKERS:**

23 men and 2 women

### **TYPE OF EXTRACTION:**

Alluvial and glacial moraine

### **FECHA DE FUNDACIÓN:**

2010



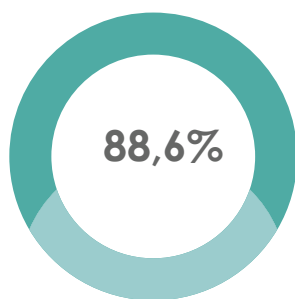
## COVID-19 PANDEMIC IMPACT

Oro Puno suspended activities from mid-March 2020 to July 2020. The organization took measures to prevent contagion among miners, and provided its workers protection elements, external disinfection services and training to prevent covid-19. Additionally, they built new lodging rooms for the miners.

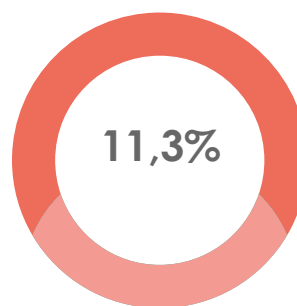
The pandemic had a great impact on Oro Puno. The mine had to assume (with part of the Fairmined premium) the salaries of the workers for a period of 2 months. The mine had to suspend activities for 75 days.



## FAIRMINED PREMIUM USE



was invested in the project for the deposit of Compensation for Time of Service and in Covid-19 prevention.



was used for the expansion of the mine.

## 1

## STRENGTHENING MINING ORGANIZATIONS

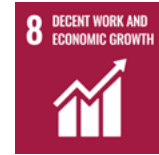


With the purpose of complying with current regulations on the closure of mines and preservation of the environment, **18,000 square meters were closed and revegetated with endemic plants.**

The project was carried out in the concession of the FADE-I mining project located in the Chaquimina area of the Ananea district. The execution of the project took three months, beginning in the first days of August until November.

# 2

## WORKERS' WELFARE



With the aim of establishing and implementing collective preventive measures to avoid contagion of Covid-19, 2 personnel from health areas were hired to **provide support to mine employees, contractors and visitors.**



The workers were also provided with personal protection, hand washing and disinfection areas at the facilities of the FADE-I mining project.

The premium also covered the payment of wages and severance pay for mine workers.



New accommodation was built to allow distance between workers.





**THANK YOU TO THE INDUSTRY  
WORKING WITH FAIRMINED  
GOLD FOR MAKING POSSIBLE  
THE POSITIVE TRANSFORMATION  
OF ARTISANAL AND  
SMALL-SCALE MINING!**



[WWW.FAIRMINED.COM](http://WWW.FAIRMINED.COM)

[info@fairmined.org](mailto:info@fairmined.org)



[/fairmined](https://www.facebook.com/fairmined)



[@fairminedofficial](https://www.instagram.com/fairminedofficial)



[@fairmined](https://twitter.com/fairmined)



[/responsiblemines](https://www.youtube.com/channel/UC...)



[Fairmined initiative](https://www.linkedin.com/company/fairmined-initiative)