



**Responsible  
Mining** Foundation

# ANNUAL REPORT 2017



**Responsible**  
**Mining** Foundation

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## MESSAGE FROM THE BOARD

The Responsible Mining Foundation shares the concerns of organisations and people around the world who support responsible mining and are concerned about the many matters that remain urgent and compelling and disproportionately affect mining countries and communities, directly and indirectly, particularly in low-income and lower-middle income economies.

We believe that the 2030 UN Sustainable Development Goals capture many of these concerns, provide a good framework against which to reflect the potential contribution of mining to sustainable development, and offer a constructive entry point to conversations with the mining industry in many parts of the world.

These are not new concerns. Already in 2002, the Mining, Minerals and Sustainable Development (MMSD) report for the World Summit on Sustainable Development acknowledged that mining's contribution to sustainable development could be improved and that "simply meeting demand for minerals commodities falls far short of meeting society's expectations of industry".

It is true that progress has been made since then, with many large-scale mining companies showing improvements in how they manage economic, environmental, social and governance issues, introducing thoughtful practices, and engaging with partners and multi-stakeholder initiatives on responsible mining. Yet there are still many matters that society can reasonably expect companies to address and on which evidence of action remains scant.

One such matter relates to how companies consider risks related to their mining activities. Global perspectives on the concept of 'risk' have evolved over recent years, significantly influenced by the UN Guiding Principles on Business and Human Rights. Companies are increasingly expected to look beyond those issues material only to their business, to consider risk through the inclusive lens of salience to all peoples, environments, economies and the business itself. With this principle now gaining widespread recognition, mining companies have the opportunity to lead in the scope of application of this principle to economic, environmental, social and governance issues.

The Foundation continues to work with organisations such as the National Resources Governance Institute (NRGI), the Extractives Industry Transparency Initiative (EITI) and others who engage with home and producing governments, investors and other critical stakeholders to support transparency as a means to ensure that mining can make a lasting contribution to economic development and good governance.

Severe short and long-term negative impacts of mining continue to attract the attention of media and civil society, and the Foundation finds itself drawn increasingly into the rising awareness of customers and consumers along the various supply chains. For too many people and in too many environments, mining remains a dangerous industry for people and environments, and we support every effort by mining companies to manage and mitigate against negative consequences and legacies.

That said, mining is essential to modern life, and it is incumbent on all stakeholders to support the mining industry worldwide in achieving the reasonable expectations of society on economic, environment, social and governance issues.

The Board would like to acknowledge and thank our funders, the Netherlands Ministry of Foreign Affairs, the Swiss State Secretariat for Economic Affairs (SECO), and the Omidyar Network Fund for their partnership and support.

We look forward with great anticipation to the year ahead, which will see the publication of the first Responsible Mining Index and continued engagement with stakehodelders and partners in all regions.

Original signed by:

**May Hermanus**  
*Chair*

**Humberto Campodonico**

**Barbara Dubach**

**Lise Melvin**

**Ron Popper**

**Arent van Wassenauer**

**Samuel Kofi Woods II**

# PURPOSE OF THE FOUNDATION

The Responsible Mining Foundation supports the belief that responsible mining should benefit the economies, improve the lives of peoples, and respect the environments of producing countries, particularly in some of the world's poorest regions, while ensuring that mining companies benefit in a fair and viable way.

RMF defines responsible mining as mining that demonstrably respects and protects the interests of people and the environment, and contributes discernibly and fairly to broad economic development of the producing country.

The goal of the Responsible Mining Foundation is to encourage continuous improvement in responsible mining by large-scale minerals and metals mining companies (LSM) across a range of Economic, Environmental, Social and Governance (EESG) issues. In support of this goal, the Foundation focuses on research, stakeholder engagement, and the transparent publication of methodologies, results and related data, based on open data principles.

We approach our work and research from the perspective of what society at large can reasonably expect from mining companies on economic, environmental, social and governance matters.

The Foundation further supports the UN Sustainable Development Goals (SDGs), which are broadly reflected in the scope and methodology of the Responsible Mining Index (RMI), a biennial report assessing the policies and practices of 30 geographically-dispersed large-scale mining companies on economic, environmental, social and governance issues. The RMI scope covers listed, state-owned and privately-owned companies. The first RMI report will be published in April 2018.

# 2017 ACTIVITIES

During 2017, the Foundation continued the process of public consultations, published the methodology of the first Responsible Mining Index, and completed the research and assessment of the 30 companies in the Responsible Mining Index.

## Methodology development and stakeholder engagement

The draft methodology of RMI 2018 was released for a period of public comment in February 2017. During the public comment period it was downloaded in 68 countries and substantive comments were received from over 45 organisations and individuals.

During this time further regional consultations were held in Ulan Bataar, Mongolia and Jakarta, Indonesia, to complement the consultations that had been held in the previous year in Switzerland, Lima, Abidjan, Delhi, Udaipur, Johannesburg, and London.

Following the public comment period, revisions were made to the methodology based on the recommendations received. The RMF Expert Review Committee met in April 2017, and the final methodology was published in May 2017 in English, French, Spanish, Chinese and Russian.

The RMI 2018 methodology includes 79 indicators: 73 applied at a company-wide level and six applied at a mine-site level to provide information disaggregated to the level of individual mining operations. The RMI assessment is based on publicly available information on companies and mine sites.

The scoping for the first Index, RMI 2018, resulted in the selection of 30 companies from 16 home countries, including publicly-listed, state-owned and private companies. These companies operate more than 700 sites in over 40 producing countries. The assessment covers most mined commodities, but excludes oil and gas. The assessment also focuses on 127 mine sites located in countries with low-income or lower-middle-income economies or high levels of inequality.

Formal and informal stakeholder engagement and participation in industry discourse continued through the year, with RMF staff and volunteers participating in meetings and conferences in China, Australia, Brazil, Colombia, Ukraine, Russia, Canada, Indonesia, South Africa, Belgium, The Netherlands, the UK, and the US.

## Research and assessment of the Responsible Mining Index

Starting in May 2017, the RMI team engaged with the 30 companies selected for inclusion in the Index, including visits to headquarters in many parts of the world, to introduce the Index and consult on practical matters to facilitate the reporting process.

One of the practical recommendations from companies was the translation of mine-site level questions into local languages, including French, Spanish, Russian, Chinese and Bahasa.

Companies were given early access to the RMI research platform to review the question set and prepare for the reporting period, while the research team worked on data gathering of public domain and contextual data on the 30 companies and 127 individual mine sites.

As an evidence-based assessment, the Index measures the extent to which companies can demonstrate (rather than simply claim) that they have established responsible policies and practices.

Once the first round of public domain data gathering had been completed by the RMI research team, companies were invited to access the RMI research platform to verify the previously gathered information and add further evidence-based information at their discretion.

This period of company reporting was later extended at the request of companies, and assessment, analysis and quality checks were finally completed during December 2017. This included opportunities for companies to answer clarifying questions and verify the factual accuracy of contextual information.

By the end of the year, preliminary results had been presented to an External Review Panel, composed of representation from industry, civil society and academia, for their scrutiny and recommendations, and the analysis of findings was well under way to allow for publication in early 2018.

## **Governance and organisation**

As anticipated at the founding registration of the Foundation, the original single-tier Board transitioned to a two-tier structure with a Board of Trustees and a Management Board. The organisation continued to operate from both Amsterdam, Netherlands (fundraising, finance, and administration) and Nyon, Switzerland (research team). The logo of the organisation was revised to better reflect the focus and inclusive approach of the Foundation.



## 2018 PLANS

The first Responsible Mining Index will be published in April 2018 and launched in Geneva.

Prior to this the RMI research team will prepare the findings and data sets for publication in Bahasa, Chinese, English, French, Russian and Spanish, with individual company and mine-site reports downloadable from a web report, that is also optimised for mobile download.

In addition to the Index results and findings, the RMI 2018 report will include contextual information on mines sites, countries of company registration, producing countries and other matters that provide context for the findings.

Following open data principles, a searchable document library will contain all the evidence used in the assessment of companies. The scoring framework used in the assessment of companies will also be available on the report website.

Preparation for a limited country-specific study, started in 2017 will be formalised and the research and analysis undertaken during 2018, with publication anticipated in early 2019.

The launch of the RMI 2018 report will be followed by roundtable consultations with a range of stakeholders around the world, including the mining industry, to discuss the Index results. In addition, the methodology and usefulness of the RMI 2018 will be reviewed prior to the 2019 preparation for the 2020 release of the second global Responsible Mining Index.

RMF will continue to engage with partners and stakeholders throughout the year to promote continuous improvement on responsible mining with an emphasis on facilitating the sharing of disaggregated data on open data principles.

Budget 2018 by cost type		Budget 2018 by activity	
	Budget 2018 EUR		Budget 2018 EUR
<b>Income</b>		<b>Income</b>	
Grants	2,260,195	Grants	2,260,195
<b>Total income</b>	<b>2,260,195</b>	<b>Total income</b>	<b>2,260,195</b>
<b>Expenses</b>		<b>Expenses</b>	
Salaries	737,022	Index development	1,183,392
Social Security & Pensions	156,248	Stakeholder Engagement	468,694
Other Personnel expenses	50,596	Governance & Organisation	500,480
Travel	358,700		
Governance	65,300	Other/Contingency	107,629
Consultancy	162,800		
Subcontracting	214,240		
Communication	273,000		
Office	41,370		
Rent	71,590		
Depreciation	11,700		
Fin. Income/Exchange	10,000		
Other/Contingency	107,629		
<b>Total expenses</b>	<b>2,260,195</b>	<b>Total expenses</b>	<b>2,260,195</b>

# GOVERNANCE

The Responsible Mining Foundation is governed by a supervisory Board of Trustees.

## **Board of Trustees\***

May Hermanus (2015)

*Chair*

Humberto Campodonico (2017)

Barbara Dubach (2017)

Lise Melvin (2015)

Ron Popper (2017)

Samuel Kofi Woods II (2016)

Arent van Wassenauer (2016)

\* Year in parentheses indicates year of joining the Board

# BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	31-Dec-2017		31-Dec-2016	
		EUR	EUR	EUR	EUR
<b>Assets</b>					
<b>Material fixed assets</b>					
Office equipment	4		15,842		19,892
<b>Current assets</b>					
Deposits	5		275		325
Receivables, prepayments and accrued income	6		18,134		15,489
Cash and cash equivalents	7		977,903		936,358
			<b>1,012,154</b>		<b>972,064</b>
<b>Equity and liabilities</b>					
<b>General reserve</b>					
	8		1,308		1,140
<b>Current liabilities</b>					
Accounts payable	9	16,525		9,401	
Taxes, pensions and social security contributions	10	13,036		7,619	
Deferred grant income	11	949,900		918,000	
Other debts and accruals	12	31,385		35,904	
			<b>1,010,846</b>		<b>970,924</b>
			<b>1,012,154</b>		<b>972,064</b>

# STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Budget 2017 EUR	Results 2017 EUR	Results 2016 EUR
<b>Income</b>				
Grants & donations	14	2,138,672	1,658,574	1,137,000
<b>Total income</b>		<b>2,138,672</b>	<b>1,658,574</b>	<b>1,137,000</b>
<b>Expenses</b>				
Salary expenses	15	646,026	502,819	387,117
Social Security & Pension expenses	16	137,156	118,363	105,627
Other Personnel expenses	17	42,927	29,285	69,647
Travel expenses	18	162,950	174,980	123,005
Governance expenses	19	25,700	31,716	17,027
Consultancy expenses	20	38,500	151,936	114,243
Subcontracting expenses	21	544,812	379,446	180,633
Stakeholder communication expenses	22	178,650	135,523	7,468
Office expenses	23	49,123	28,242	47,561
Rent expenses	24	57,998	55,337	71,421
Depreciation of plant, property and equipment		9,830	10,276	6,473
Other/Contingency expenses		245,000	-	-
<b>Total expenses</b>		<b>2,138,672</b>	<b>1,617,923</b>	<b>1,130,222</b>
<b>Operational result</b>		<b>-</b>	<b>40,651</b>	<b>6,778</b>
Financial income & expenses		-	(3,834)	(1,105)
Exchange & payment differences	25	-	(36,649)	(5,551)
<b>Total Financial &amp; Exchange</b>		<b>-</b>	<b>(40,483)</b>	<b>(6,656)</b>
<b>Net result</b>		<b>-</b>	<b>168</b>	<b>122</b>
<b>Distribution of net result:</b>				
Addition to general reserve			168	122
<b>Net result</b>			<b>168</b>	<b>122</b>

## Elucidation

In 2017, total expenditure was EUR 480,266 (22%) less than budgeted. This was caused by some unforeseen delays, vacancies that were filled on a limited basis by consultants, and the postponement of a number of activities to Q1 2018.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 General information

### 1.1 Activities

Stichting Responsible Mining Foundation (the “Foundation”), domiciled in Amsterdam, the Netherlands, is a foundation (“stichting”) incorporated according to Dutch law. The registered office of the Foundation is: Barbara Strozilaan 101, 1083 HN Amsterdam. The Research office is located in Nyon, Switzerland.

The ultimate aim of the Responsible Mining Foundation is to help translate the full potential of minerals and metals mining to positively benefit the economies, improve the lives of people, and respect the environment of the producing countries, particularly in some of the world’s poorest regions. To this end, the goal of the Responsible Mining Foundation is to encourage continuous improvement in responsible mining in the minerals and metals industry by transparently assessing the policies and practices of mining companies on economic, environmental, social and governance issues and highlighting leading practice. The Responsible Mining Index, will be published biennially and include listed, state-owned and private companies.

### 1.2 Financial reporting period

The current reporting period concerns the period from January 1, 2017 to December 31, 2017.

### 1.3 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation’s accounting policies.

### 1.4 Going concern

The Responsible Mining Foundation is currently funded by The Swiss Secretariat for Economic Affairs (SECO), The Netherlands Ministry of Foreign Affairs and the Omidyar Network Fund. As of January 1, 2018, the Foundation has committed funding for the period 2018-2020 for a total of EUR 4,599,900. The publication of the first Responsible Mining Index is planned for April 2018. The second Responsible Mining Index will be published in 2020, with a smaller country-specific study to be published in 2019.

## 2 Accounting policies for the balance sheet

### 2.1 General information

The financial statements have been prepared in accordance with Dutch law and in accordance with the Guidance for annual reporting 640 "Non-profit Institutions" of the Dutch Accounting Standards Board.

In general assets and liabilities are stated at the amounts at which they were acquired or incurred. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and statement of income and expenses include references to the notes.

### 2.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented. For comparison purposes a reclassification of some current year figures has taken place.

### 2.3 Foreign currencies

#### 2.3.1 Functional currency

The financial statements are presented in euros, which is the functional and presentation currency of the Foundation. The applied currency rate on December 31, 2017 was 1.16934.

#### 2.3.2 Transactions, assets and liabilities

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing on the transaction dates.

### 2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated future useful lives. Allowance is made for any impairment losses expected on the balance sheet date.

### 2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

### 2.6 Current liabilities and deferred income

The Foundation has no borrowings.

All donor payments received by the Responsible Mining Foundation but not spent, are presented as 'deferred grant income' under current liabilities.

### **3 Accounting policies for the income statement**

#### **3.1 General information**

The result is determined as the difference between total income and total expenses. Income and expenses are recognised in the income statement in the period that they are realised.

#### **3.2 Grants and donations**

Grants and donations are recognised as income when there is reasonable assurance that they will be received and that the Foundation will comply with the conditions associated with these contributions. Grants and donations that compensate the Foundation for expenses incurred are recognised as income on a systematic basis in the same periods in which the expenses are recognised.

#### **3.3 Other income**

The Foundation has no other income.

#### **3.4 Expenses**

All expenses for the Responsible Mining Index and for stakeholder engagement are recognised in the income statement, since no future benefits are expected.

#### **3.5 Employee benefits**

Salaries and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

#### **3.6 Depreciation**

Property, plant and equipment are depreciated over their estimated useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

#### **3.7 Financial income & expenses**

Interest income is recognised on a time-weighted basis, taking account of the effective interest rate of the assets concerned. Interest paid is recognised on a time-weighted basis, taking account of the effective interest rate of the liabilities concerned.

#### **3.8 Exchange differences**

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise.

#### **3.9 Taxes**

The Foundation is exempt from both income taxes and VAT.

## 4 Material fixed assets

Movements in material fixed assets can be broken down as follows:

	Equipment EUR	Total EUR
<b>Balance as at 31 December 2016</b>		
Cost	27,043	27,043
Accumulated depreciation	(7,151)	(7,151)
<b>Book value</b>	<b>19,892</b>	<b>19,892</b>
<b>Movements in book value</b>		
Additions	6,226	6,226
Depreciation	(10,276)	(10,276)
<b>Balance</b>	<b>(4,050)</b>	<b>(4,050)</b>
<b>Balance as at 31 December 2017</b>		
Cost	33,269	33,269
Accumulated depreciation	(17,427)	(17,427)
<b>Book value</b>	<b>15,842</b>	<b>15,842</b>
<b>Depreciation rate</b>	<b>33,3%</b>	

## 5 Deposits

	31-12-17 EUR	31-12-16 EUR
Security deposit for rental payments	250	250
Deposit for keys and passes	25	75
	<b>275</b>	<b>325</b>

## 6 Receivables, prepayments and accrued income

	31-12-17 EUR	31-12-16 EUR
Prepayments in cost, pension and net wages	18,095	13,968
Interest to be received	39	1,521
	<b>18,134</b>	<b>15,489</b>

## 7 Cash and cash equivalents

Cash and cash equivalents are at the Foundation's free disposal, except for the rental deposit for the Swiss research office of EUR 20,528 at UBS bank in Switzerland. (24,004 CHF)



## 8 General reserve

Movements in the Foundation's reserves can be broken down as follows:

	<b>General Reserve</b> EUR
Opening balance per 1 January 2017	1,140
Movements:	
Result for the year	168
<b>Balance as at 31 December 2017</b>	<b>1,308</b>

## 9 Current liabilities

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short term character.

## 10 Taxes, pensions and social security contributions

	<b>31-12-17</b> EUR	<b>31-12-16</b> EUR
Pension premiums to be paid Netherlands	618	-
Wage tax Netherlands	4,571	2,209
Social securities and insurance Switzerland	7,847	5,410
	<b>13,036</b>	<b>7,619</b>

## 11 Deferred grant income

	<b>31-12-17</b> EUR	<b>31-12-16</b> EUR
Swiss State Secretariat for Economic Affairs	99,603	668,000
Netherlands Ministry of Foreign Affairs	800,000	250,000
Omidyar Network Fund	50,297	-
	<b>949,900</b>	<b>918,000</b>

The Foundation had to deal with some unforeseen delays, vacancies that were filled on a limited basis by consultants and the postponement of some activities to the first quarter of 2018. In addition the Foundation had budgeted for a contingency of 13%. This caused less expenditure than budgeted of EUR 480,266. The postponement of activities and received but not spent grants are incorporated in the deferred income of EUR 524,603, excluding an early disbursement of EUR 375,000 intended for 2018 from The Netherlands Ministry of Foreign Affairs, which was granted as an extension to the 2014 funding contract. The Foundation also received a grant of USD 107,000 from the Omidyar Network Fund for unconditional purposes towards its identified goals. In 2017 it spent EUR 40,177, the remaining EUR 50,297 of this grant is presented as deferred income. General approach to sequence of use: 'first in first out'.

## 12 Other debts and accruals

	31-12-17 EUR	31-12-16 EUR
Accrued auditor's fees	5,869	5,750
Accrued expenses	5,368	1,517
Vacation allowance	2,889	2,167
Unused holiday accrual	17,259	26,470
	<b>31,385</b>	<b>35,904</b>

## 13 Contingencies and commitments

### Financial obligations:

The Foundation has a shared office obligation until 31 December 2018 in Amsterdam.

The Foundation has a rental contract for office space to host the research office in Nyon until 30 April 2018 of EUR 12,999. For this obligation a deposit is held in a designated bank account, reflected as cash in these accounts. The Foundation has a rental contract for office space to host the research office in Nyon from 1 April 2018 until 31 March 2023 at a total amount of EUR 252,707 for five years. For this obligation a deposit has not yet been paid.

## 14 Grants and donations

	Results 2017 EUR	Results 2016 EUR
Swiss Secretariat for Economic Affairs	1,368,397	332,000
The Netherlands Ministry of Foreign Affairs	250,000	250,000
Omidyar Network Fund	40,177	-
Wyss Charitable Endowment	-	355,000
Good Energies Foundation	-	200,000
	<b>1,658,574</b>	<b>1,137,000</b>

## 15 Salary expenses

	Results 2017 EUR	Results 2016 EUR
Salaries	506,974	358,086
Holiday allowance and vacation days	(4,155)	29,031
	<b>502,819</b>	<b>387,117</b>

## 16 Social Security & Pension expenses

	Results 2017 EUR	Results 2016 EUR
Social security charges and pension costs	118,363	105,627
	<b>118,363</b>	<b>105,627</b>

## 17 Other personnel expenses

	Results 2017 EUR	Results 2016 EUR
Recruitment cost	2,391	49,469
Insurances staff	17,219	9,695
Other personnel expenses	9,675	10,483
	<b>29,285</b>	<b>69,647</b>

## 18 Travel expenses

	Results 2017 EUR	Results 2016 EUR
Travel Staff	69,392	62,114
Travel Board	34,524	11,457
Travel Others (Consultants, Subcontractors, ERC)	71,064	49,434
	<b>174,980</b>	<b>123,005</b>

## 19 Governance expenses

	Results 2017 EUR	Results 2016 EUR
Board expenses	5,975	3,663
Legal expenses & Liability	19,675	6,910
Audit expenses	6,066	5,682
Other governance	-	772
	<b>31,716</b>	<b>17,027</b>

## 20 Consulting expenses

	Results 2017 EUR	Results 2016 EUR
Research and methodology	151,936	114,243
	<b>151,936</b>	<b>114,243</b>

## 21 Subcontracting expenses

	Results 2017 EUR	Results 2016 EUR
Administrative support	30,443	52,020
Research Partner	306,763	120,228
Information & Communications Technology	24,654	-
Other	17,586	8,385
	<b>379,446</b>	<b>180,633</b>

## 22 Stakeholder communication expenses

	Results 2017	Results 2016
	EUR	EUR
Graphic design	56,390	834
Webdesign	17,180	-
Translation	32,452	2,416
PR & communication	24,331	1,059
Other	5,170	3,159
	<b>135,523</b>	<b>7,468</b>

## 23 Office expenses

	Results 2017	Results 2016
	EUR	EUR
Telecommunication expenses	9,983	11,983
ICT maintenance, support and software expenses	9,615	21,607
Office supplies and rent furniture	2,903	12,508
Postage	2,441	-
Other office expenses	3,300	1,463
	<b>28,242</b>	<b>47,561</b>

## 24 Rent expenses

	Results 2017	Results 2016
	EUR	EUR
Office rent	45,475	53,160
Meeting accommodation	7,285	6,153
Energy	2,577	2,588
Maintenance & Other housing expenses	-	9,520
	<b>55,337</b>	<b>71,421</b>

## 25 Exchange and payment differences

	Results 2017	Results 2016
	EUR	EUR
Currency difference annually	33,725	3,648
Withholdings Swiss payments	2,049	1,489
Other currency variances	875	414
	<b>36,649</b>	<b>5,551</b>

Despite active management, accounting system records EUR/CHF loss.

## 26 Average number of employees

During the financial year, the average number of employees, based on full time equivalents, was 5.6 (2016: 4.2).

## 27 Board remuneration and expenses

The Foundation is governed by a Board of Trustees. Board members receive a nominal attendance fee of EUR 200 per meeting for their work in their capacity as board members. The Chair receives a nominal attendance fee of EUR 375. For significant operational tasks, board members of the Board may charge a management fee on a pre-agreed basis. During the reporting period EUR 5,975 was paid in total in fees (2016: EUR 3,325). EUR 2,775 was paid to L. Melvin (including fee EUR 900) (2016: EUR 1,325) EUR 1,000 was paid to M. Hermanus (2016: EUR 1,000) EUR 600 was paid to G. Carbonnier (2016: EUR 800) EUR 200 was paid to A. van Wassenaar (2016: 0) EUR 400 was paid to S. K. Woods (2016: 0) EUR 400 was paid to H. Campodonico (2016: 0) EUR 400 was paid to B. Dubach (2016: 0) EUR 200 was paid to R. Popper (2016: 0) EUR 0 was paid to A. Kuijpers (2016: EUR 200)

The Foundation is governed on a daily basis by two executives.

The remuneration of the CEO (H. de Villiers-Piaget: France) was EUR 114,870 + EUR 16,179 pension for 1.0 FTE (2016: EUR 117,000 + EUR 16,610).

The remuneration of the COO (I. van Notten: Netherlands) was EUR 63,194 + EUR 6,745 pension for 0.59 FTE (2016: EUR 58,500 + EUR 6,040 for 0.5 FTE).

Amsterdam, March 7, 2018.  
Stichting Responsible Mining Foundation

## **The Board of Trustees**

Original signed by:

**May Hermanus**  
*Chair*

**Humberto Campodonico**  
*Board Member*

**Barbara Dubach**  
*Board Member*

**Lise Melvin**  
*Board Member*

**Ron Popper**  
*Board Member*

**Arent van Wassenauer**  
*Board Member*

**Samuel Kofi Woods II**  
*Board Member*

## JPA Van Noort Gassler & Co

opgericht 1 september 1919

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## Auditing



### INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Responsible Mining Foundation

#### A. Report on the audit of the financial statements 2017 included in the annual accounts

##### Our opinion

We have audited the financial statements 2017 of Stichting Responsible Mining Foundation, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Responsible Mining Foundation as at 31 December 2017, and of its result for 2017 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the Balance Sheet as at 31 December 2017;
2. the Statement of Income and Expenses 2017; and
3. the Notes to Financial Statement comprising a summary of the accounting policies and other explanatory information.

##### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Responsible Mining Foundation in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### B. Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual accounts contains other information that consists of:

- The Message from the Board;
- Purpose of the Foundation;
- 2017 Activities;
- Other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements. We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Message from the Board, Purpose of the Foundation and 2017 Activities in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

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Bloemendaal, Driebergen,  
Rotterdam, Zaandam





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### C. Description of responsibilities regarding the financial statements

#### Responsibilities of management for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. Furthermore, the board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

#### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Bloemendaal, March 7<sup>th</sup>, 2017

JPA Van Noort Gassler & Co B.V.

R. van Dijck MSc RA  
Chartered public accountant





## **Responsible Mining** Foundation

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