



**Responsible  
Mining** Foundation

# ANNUAL REPORT 2018



**Responsible  
Mining** Foundation

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## MESSAGE FROM THE BOARD

We are very pleased with the launch of the much anticipated first Responsible Mining Index report (RMI 2018) that occurred in April 2018, with public events in Geneva, Paris and The Hague. This was followed by a program of regional stakeholder engagement in Latin America, West Africa, Sub-Saharan Africa, South-East Asia, and Central Asia. The response from many parts of the world across diverse groups of stakeholders has been very encouraging and reassuring regarding the need for disaggregated disclosure of public interest data, especially at mine-site level.

The results of the RMI 2018 report, showed that many mining companies are making progress towards more responsible practices and showing leading practices. Nevertheless, evidence of the negative impacts of mining remains overwhelming. Despite legislation, regulations and international principles and standards, the negative impacts of mining often reach the news and attention of the general public. The realisation is gradually dawning on western consumers as beneficiaries that the negative impacts of mining are externalised and often borne by vulnerable populations in producing countries. These impacts include, for example, child labour, water and air pollution, the killing of human rights defenders, worker fatalities, abuse of women workers, profit shifting, tax avoidance and the persistence of poverty in many mineral-rich countries. Clearly, there are still many issues that society can reasonably expect mining companies to better address.

It is thus worth reminding ourselves, that as taxpayers and as consumers we are all responsible for mining as an industry – without our lifestyle expectations and socio-economic and political choices, mining as an industry would not exist. As taxpayers we drive the demand for infrastructure, transport, energy, construction, telecommunications, and offensive and defensive weapons, while our discretionary spending on items such as bicycles, jewellery, laptops, tablets, smartphones, etc. further heightens the demand for mined commodities. So as users and beneficiaries of all these products and facilities, we share at a minimum, the responsibility to ensure that mining happens in as responsible a manner as possible.

The value of mining commodities' sales to key industries is estimated at approximately USD 2 trillion per annum.<sup>1</sup> As industrialisation and consumer expectations rise across the world, while effective recycling processes remain underdeveloped, minerals and metals mining is set to continue and even increase for the foreseeable future – and with it, the risk of increased severe impacts on peoples, economies and environments.

The coal industry, which represents about 50% of all mining activity worldwide and is one of the most dangerous and environmentally damaging sub-sectors of mining, is expected to remain significant in the next decades. In developing countries, millions of people have no other access to energy, and some developed countries, are still heavily dependent on coal for their energy needs.

Moreover, the ongoing transition to renewable energy is expected to result in increased demand for metals. A recent World Bank study demonstrates that climate-friendly technologies typically require more metals than alternative higher carbon technologies.<sup>2</sup> The shift towards low-carbon energy will drive increased demand for commodities such as copper, iron ore, silver, cobalt, lithium, aluminium, nickel, manganese and zinc.

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<sup>1</sup> World Economic Forum, 2015. Mining and Metals in a Sustainable World 2050.

<sup>2</sup> World Bank Group and EGPS, 2017. The Growing Role of Minerals and Metals for a Low Carbon Future.

At the same time, mining remains a significant contributor to the GDP and exports of many low- and middle-income countries.<sup>3</sup> In many of these countries, mining accounts for as much as 60–90% of total foreign direct investment, and over recent years many of the most mineral-dependent countries have become even more reliant on the economic contribution of mining.

There is therefore a strong and growing need to encourage and track improvements in mining practices, to ensure that mining is done in a responsible manner and the one-off extraction of these resources brings equitable and intergenerational benefits to producing countries.

The Responsible Mining Foundation will continue to contribute to addressing this need, by developing unique tools, sharing powerful public-interest data and supporting informed and constructive engagement between stakeholders and mining companies in order to encourage continuous improvement towards responsible mining.<sup>4</sup>

The potential benefits of responsible mining cannot be underestimated. As a sector with large-scale and far-reaching potential, mining can support achievement of the UN Sustainable Development Goals, catalysing broad-based economic development and lifting millions of people out of poverty in many low- and middle-income resource-rich countries.

Original signed by:

**May Hermanus**  
*Chair*

**Humberto Campodonico**

**Barbara Dubach**

**Ron Popper**

**Arent van Wassenauer**

**Samuel Kofi Woods II**

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<sup>3</sup> Ericsson, M. and Löf, O., 2017. Mining's contribution to low- and middle-income economies. United Nations University WIDER Working Paper 2017/148.

<sup>4</sup> ICMM, 2016. The role of mining in national economies.

# ABOUT THE RESPONSIBLE MINING FOUNDATION

## Vision

The Responsible Mining Foundation (RMF) supports the belief, in line with the UN Sustainable Development Goals (SDG), 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.

## Mission

The goal of the 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.

The Foundation approaches its 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 RMF adopts an impartial relationship towards all stakeholders, whilst engaging and listening to all.

## Governance

The Responsible Mining Foundation is an independent organisation, founded in the Netherlands in 2012, where the research office was initially established, and subsequently registered in Switzerland. It is recognised as a tax-exempt, not-for-profit organisation, operating for the public good.

Governance of the RMF is independent; it does not accept funding from the mining industry, and Board members are independent of any stakeholder groups. The work of the Foundation is also guided by an Advisory Council and an Expert Review Committee that advises on methodological issues.

## Domicile

During 2018, the Foundation undertook the process of relocating its domicile from The Netherlands to Switzerland.

# 2018 ACTIVITIES

The Responsible Mining Foundation (RMF) launched the first Responsible Mining Index report (RMI 2018) in Geneva in April 2018, followed by a busy schedule of presentations, stakeholder meetings, regional consultations, and new research into mine site disclosure by small to mid-tier mining companies.

The enthusiastic response to the launch of the RMI 2018 and the subsequent engagement among stakeholders has been very rewarding and supports the need for more, rather than less, disclosure of public interest data in the mining industry.

## Encouraging continuous improvement in responsible mining

The RMF pursued its goal of *encouraging continuous improvement* focusing on six clusters of activities and tools by:

- 1 **Providing a reference framework on responsible mining** that articulates society expectations of mining companies on their management of EESG issues, including economic development, lifecycle management, business conduct, community wellbeing, working conditions, and environmental responsibility.

The RMF published its entire methodology, scoring system and EESG framework as tools for stakeholders. The aim was that governments, stock exchanges, investors, civil society and the wider industry use the publications as a resource and independent point of reference to plan, engage, regulate, dialogue and act according to their individual mandates. This body of work was published in 6 languages and is available free as a public good on the RMF website.

- 2 **Providing comparative data on company performance** presented as assessment results. The Foundation produced the **Responsible Mining Index (RMI 2018)**, a biennial report assessing the policies and practices of geographically-dispersed large-scale mining companies. The report contains not only the assessed results for all companies and 127 individual mine sites, but also over 2,000 source documents used in the assessment, with the intention of enabling stakeholders to use the results to engage with mining companies on their EESG performance.

The results also contain 127 comparative assessments of mine sites addressing the need for site-disaggregated data as the basis for informed engagement. In line with the open data principles, the Foundation moreover published the scoring framework and raw data of the RMI 2018 study. During the year, the RMF also undertook a mine-site study of 32 sites operated by 12 small to mid-tier companies across a range of countries to be published in early 2019.

- 3 **Identifying and sharing leading practices** to support industry-wide learning and continuous improvement across the mining sector. Over 40 cases of leading practice from the assessed companies were highlighted on issues such as local business development, collaborative planning of site closure, and gender diversity. This information has the potential to be used as a powerful tool for stakeholders to engage with companies, whether included in the Index or not. As an example, a mining-affected stakeholder group reported that they were asking a company to implement the same leading practice undertaken in another country at the mine site next to their community.

- 4 Engaging with a wide range of stakeholders and experts** at local, national and international levels to: (1) consult with them on the scope and methodology of the assessments; (2) listen to their feedback and recommendations on developing and improving the assessments; (3) seek ways in which to collaborate with and amplify the efforts of other relevant initiatives; and (4) bring the assessment results to a wider audience.

In addition to RMI launch events in Geneva, The Hague, and Paris, as well as meetings and collaborations with peer initiatives and organisations, RMF conducted several regional visits to meet with a wider range of stakeholders and mining-affected communities. These visits to Abidjan, Jakarta, Ulaanbaatar, Johannesburg, and Lima included experts and stakeholders from 40 different producing countries. A focus workshop was also held with mining-affected communities from Burkina Faso, as part of the development of the methodology for the mine-site study.

- 5 Ensuring that research and engagement activities are useful and accessible.** The Foundation made its assessment methodologies, results and EESG reference framework available in multiple languages (including Bahasa Indonesia, Chinese, English, French, Russian and Spanish), accessible in print and web formats, and optimised for all platforms: smartphones, laptops and tablets. The RMF also engaged in a dialogue with the industry on responsible mining by participating in many key events and conferences in Geneva, The Hague, Paris, Moscow, Tianjin, Astana, Beijing, Bishkek, London, Washington DC, Accra, Brussels, Zurich, and New York.

In addition, the RMF team held meetings and practical orientation workshops with investors, companies, mining-affected communities, peoples' movements, civil society organisations and labour unions to discuss how they could best use the RMI 2018 results to encourage continuous improvement in responsible mining. These discussions have led to interesting ideas for using the RMI-generated data both at the level of individual mine sites and from a more systemic perspective such as engagement with national stock exchanges.

The RMF is further supporting such initiatives by translating various RMI 2018 company results into the local languages such as Twi (Ghana), Hindi (India) and Tok Pisin (Papua New Guinea).

- 6 Reviewing and refining the RMF research approach.** The research team, with the support of a range of experts, has implemented a systematic review of the scope, methodology and approach to the assessment of the RMI 2018. This included debrief calls on the results with mining companies included in the RMI 2018 report, an online company survey on the process and methodology of the report, a review of the relevant literature, the mapping of other initiatives, and engagement with experts to refine the methodology for consideration by the Expert Review Committee in early 2019.

In the course of 2018, the RMF has been in the process of changing its domicile from The Netherlands to Switzerland, which will be completed in early 2019.

Overall the year was filled with inspiration and learning for the entire RMF team, as we prepare for the 2019 work of delivering the RMI 2020 report.



## 2019 PLANS

The research report: “Mine-site ESG data disclosure by small and mid-tier mining companies” on the study conducted in 2018 based on small and mid-tier companies will be published in early 2019. The study assesses mine-site-level disclosure by 12 mining companies and their 31 mine sites located across 9 countries.

The review of the RMI 2017 methodology, started in 2018, will be presented to the RMF Expert Review Committee in early 2019, with the aim of publishing the RMI 2019 methodology report in April 2019. A user-friendly publication on the RMI indicators and metrics will be released to assist investors and governments understand what they can reasonably expect from mining companies on EESG issues.

This will be followed by a year-long process of data-gathering and analysis for the RMI 2020 report, including both company and relevant contextual data. The research will be conducted by the RMF research team in collaboration with methodological and content experts. Mining companies will be invited to check the RMI research and add information on the upgraded research platform and allowed to check factual data prior to publication. In addition, RMF will again invite an independent expert panel to review the results prior to finalisation and publication.

Continuous stakeholder engagement will include visits to mining companies and mining-affected stakeholders in countries like Ghana and India; a public panel discussion in Mexico; follow-up on pilot activities on the use of RMI data in a range of mining countries; and engagement events with investors, including in London in May 2019.

RMF will continue to work with partners on promoting the concept of open data, how to best operationalize this, and how to ensure that users can make the most of the opportunities that the open data principles present.

The change of domicile from The Netherlands to Switzerland is likely to be completed in February 2019.

RMF will have a staff capacity of 10 FTE for 2019, including a 6-member research team.

# 2019 BUDGET

## Budget 2019 by cost type

	Budget 2019 EUR
<b>Income</b>	
Grants	2,206,143
<b>Total income</b>	<b>2,206,143</b>
<b>Expenses</b>	
Salaries	929,698
Social Security & Pensions	196,885
Other Personnel expenses	50,363
Travel	308,552
Governance	53,000
Consultancy	128,500
Subcontracting	78,500
Communication	252,500
Office	30,180
Rent	59,910
Depreciation	8,000
Fin. Income/Exchange	5,000
Other/Contingency	105,055
<b>Total expenses</b>	<b>2,206,143</b>

## Budget 2019 by activity

	Budget 2019 EUR
<b>Income</b>	
Grants	2,206,143
<b>Total income</b>	<b>2,206,143</b>
<b>Expenses</b>	
Research and Analysis	1,183,077
Stakeholder Engagement	468,642
Governance & Organisation	449,369
Other/Contingency	105,055
<b>Total expenses</b>	<b>2,206,143</b>

# GOVERNANCE

The Responsible Mining Foundation is governed by the Foundation Board.

## **Board Members\***

May Hermanus (2015)

*Chair*

Humberto Campodonico (2017)

Barbara Dubach (2017)

Ron Popper (2017)

Arent van Wassenauer (2016)

Samuel Kofi Woods II (2016)

\* Year in parentheses indicates year of joining the Board

# BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	31-Dec-2018		31-Dec-2017	
		EUR	EUR	EUR	EUR
<b>Assets</b>					
<b>Material fixed assets</b>					
Office equipment	4		11,736		15,842
<b>Current assets</b>					
Deposits	5		275		275
Receivables, prepayments and accrued income	6		59,982		18,134
Cash and cash equivalents	7		503,042		977,903
			<b>575,035</b>		<b>1,012,154</b>
<b>Equity and liabilities</b>					
General reserve	8		1,411		1,308
<b>Current liabilities</b>					
Accounts payable	9	24,420		16,525	
Taxes, pensions and social security contributions	10	34,029		13,036	
Deferred grant income	11	461,500		949,900	
Other debts and accruals	12	53,675		31,385	
			<b>573,624</b>		<b>1,010,846</b>
			<b>575,035</b>		<b>1,012,154</b>

# STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Budget 2018 EUR	Results 2018 EUR	Results 2017 EUR
<b>Income</b>				
Grants & donations	14	2,260,195	1,689,456	1,658,574
<b>Total income</b>		<b>2,260,195</b>	<b>1,689,456</b>	<b>1,658,574</b>
<b>Expenses</b>				
Salary expenses	15	737,022	511,258	502,819
Social Security & Pension expenses	16	156,248	119,457	118,363
Other Personnel expenses	17	50,596	30,288	29,285
Travel expenses	18	358,700	313,316	174,980
Governance expenses	19	65,300	43,946	31,716
Consultancy expenses	20	162,800	160,123	151,936
Subcontracting expenses	21	214,240	189,750	379,446
Stakeholder communication expenses	22	273,000	210,441	135,523
Office expenses	23	41,370	32,029	28,242
Housing expenses	24	71,590	70,352	55,337
Depreciation of plant, property and equipment		11,700	11,305	10,276
Other/Contingency expenses		107,629	-	-
<b>Total expenses</b>		<b>2,250,195</b>	<b>1,692,265</b>	<b>1,617,923</b>
<b>Operational result</b>		<b>10,000</b>	<b>(2,809)</b>	<b>40,651</b>
Financial income & expenses		(10,000)	(5,778)	(3,834)
Exchange and payment differences	25	-	8,690	(36,649)
<b>Total Financial &amp; Exchange</b>		<b>(10,000)</b>	<b>2,912</b>	<b>(40,483)</b>
<b>Net result</b>		<b>-</b>	<b>103</b>	<b>168</b>
<b>Distribution of net result:</b>				
Addition to general reserve			103	168
<b>Net result</b>			<b>103</b>	<b>168</b>

## Elucidation

In 2018, total expenditure was EUR 570,842 (25%) less than budgeted. This was caused by a smaller staff component than anticipated, some deferred expenses, attention to cost-effective measures, and no need to use the contingency budget of 5%.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 General information

### 1.1 Activities

The Board of Stichting Responsible Mining Foundation registered in The Netherlands as a not for profit foundation no 56483503, decided in 2018 to establish the domicile of the foundation in Switzerland, as all the staff and activities were effectively located there. The dissolution of the Stichting Responsible Mining Foundation took place in February 2019, and the organisation is now registered in Switzerland as a not-for-profit foundation, Responsible Mining Foundation, no CHE-232.974.628. The registered office of the Foundation is: Rue Saint-Jean 4, 1260 Nyon, Switzerland.

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

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 peoples, and respect the environments of the producing countries. 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, is published biennially and includes listed, state-owned and private companies.

### 1.2 Financial reporting period

The current reporting period concerns the period from January 1, 2018 to December 31, 2018.

### 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) and The Netherlands Ministry of Foreign Affairs. As of January 1, 2019, the Foundation has committed funding for the period 2019-2020 for a total of EUR 3,081,871. A mine site study will be published in 2019, and the second Responsible Mining Index will be published in 2020.

## 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 reference 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, 2018 was 1.1265 (1 EUR = 1.1265 CHF). In 2017 on 31 December: 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. The Foundation performs a yearly inventory of all equipment. Equipment contains office furniture and IT equipment.

### 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 research and analysis 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 income taxes.

#### 3.10 Subsequent events

In February 2019 the legal entity, Stichting Responsible Mining Foundation, was dissolved in The Netherlands, and all its assets and liabilities transferred to the Swiss entity. The Foundation continues as the Responsible Mining Foundation with its domicile in Switzerland.



## 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 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>Movements in book value</b>		
Additions	7,199	7,199
Divestments	(1,511)	(1,511)
Divestments cumulative depreciation	1,511	1,511
Depreciation	(11,305)	(11,305)
<b>Balance</b>	<b>(4,106)</b>	<b>(4,106)</b>
<b>Balance as at 31 December 2018</b>		
Cost	38,957	38,957
Accumulated depreciation	(27,221)	(27,221)
<b>Book value</b>	<b>11,736</b>	<b>11,736</b>
<b>Depreciation rate</b>	<b>33.3%</b>	

## 5 Deposits

	31-12-18 EUR	31-12-17 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

	31-12-18 EUR	31-12-17 EUR
Prepayments in travel	26,390	-
Prepayments in cost, pension and insurances	28,132	18,095
Interest to be received	-	39
Benefit accident insurance	5,460	-
	<b>59,982</b>	<b>18,134</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 22,399 at UBS bank in Switzerland, (25,232 CHF); and the deposits held on two credit cards EUR 17,754, at UBS of (20,000 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 2018	1,308
Movements:	
Result for the year	103
<b>Balance as at 31 December 2018</b>	<b>1,411</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>31-12-18</b> EUR	<b>31-12-17</b> EUR
Pension premiums to be paid Netherlands	-	618
Wage tax Netherlands	-	4,571
Social securities and insurance Switzerland	34,029	7,847
	<b>34,029</b>	<b>13,036</b>

## 11 Deferred grant income

	<b>31-12-18</b> EUR	<b>31-12-17</b> EUR
Swiss State Secretariat for Economic Affairs	461,500	99,603
Netherlands Ministry of Foreign Affairs	-	800,000
Omidyar Network Fund	-	50,297
	<b>461,500</b>	<b>949,900</b>

During 2018 the Foundation had a smaller staff component than anticipated, some expenses were deferred to 2019, and cost-effective measures together with the unused 5% contingency accounts for the deferred income of EUR 461,500.

Disbursement of EUR 75,000 (Phase I funding, allocated to 2018) from The Netherlands Ministry of Foreign Affairs was postponed to Q1 2019 for administrative reasons.

## 12 Other debts and accruals

	31-12-18 EUR	31-12-17 EUR
Accrued auditor's fees	5,990	5,869
Accrued expenses	15,103	5,368
Vacation allowance	-	2,889
Unused holiday accrual	32,582	17,259
	<b>53,675</b>	<b>31,385</b>

## 13 Contingencies and commitments

### Financial obligations:

The Foundation has a shared office obligation until 31 December 2019 in Amsterdam. The Foundation has a rental contract for office space to host the research office in Nyon from 1 April 2018 until 31 March 2023. For this obligation a deposit is held in a designated bank account, reflected as cash in these accounts. The total obligation for this rent for 2019-2023 is EUR 224,767 (253,200 CHF)

## 14 Grants and donations

	Results 2018 EUR	Results 2017 EUR
Swiss Secretariat for Economic Affairs	339,159	1,368,397
The Netherlands Ministry of Foreign Affairs	1,300,000	250,000
Omidyar Network Fund	50,297	40,177
	<b>1,689,456</b>	<b>1,658,574</b>

## 15 Salary expenses

	Results 2018 EUR	Results 2017 EUR
Salaries	505,310	506,974
Benefit accident insurance	(5,460)	-
Holiday allowance and vacation days	11,408	(4,155)
	<b>511,258</b>	<b>502,819</b>

## 16 Social Security & Pension expenses

	Results 2018 EUR	Results 2017 EUR
Social security charges and pension costs	119,457	118,363
	<b>119,457</b>	<b>118,363</b>

## 17 Other personnel expenses

	Results 2018 EUR	Results 2017 EUR
Recruitment cost	3,418	2,391
Insurances staff	18,194	17,219
Other personnel expenses	8,676	9,675
	<b>30,288</b>	<b>29,285</b>

## 18 Travel expenses

	Results 2018 EUR	Results 2017 EUR
Travel Staff	97,402	69,392
Travel Board	44,523	34,524
Travel Others (Consultants, ERC, regional workshop participants)	171,391	71,064
	<b>313,316</b>	<b>174,980</b>

## 19 Governance expenses

	Results 2018 EUR	Results 2017 EUR
Board expenses	3,525	5,975
Legal expenses & Liability	33,705	19,675
Audit expenses	6,716	6,066
	<b>43,946</b>	<b>31,716</b>

## 20 Consulting expenses

	Results 2018 EUR	Results 2017 EUR
Research and methodology	160,123	151,936
	<b>160,123</b>	<b>151,936</b>

## 21 Subcontracting expenses

	Results 2018 EUR	Results 2017 EUR
Administrative support	45,919	30,443
Research Partner	86,961	306,763
Information & Communications Technology	32,651	24,654
Salary and Social Security administration	11,696	5,651
Other	12,523	11,935
	<b>189,750</b>	<b>379,446</b>

## 22 Stakeholder communication expenses

	Results 2018	Results 2017
	EUR	EUR
Graphic design	34,088	56,390
Web design	39,524	17,180
Translation	42,378	32,452
PR & communication	68,020	24,331
Printing	22,887	1,312
Other	3,544	3,858
	<b>210,441</b>	<b>135,523</b>

## 23 Office expenses

	Results 2018	Results 2017
	EUR	EUR
Telecommunication expenses	16,540	9,983
ICT maintenance, support and software expenses	4,916	9,615
Office supplies	6,712	2,903
Postage	1,282	2,441
Other office expenses	2,579	3,300
	<b>32,029</b>	<b>28,242</b>

## 24 Housing expenses

	Results 2018	Results 2017
	EUR	EUR
Office rent	51,680	45,475
Meeting accommodation	15,217	7,285
Energy	3,455	2,577
	<b>70,352</b>	<b>55,337</b>

## 25 Exchange and payment differences

	Results 2018	Results 2017
	EUR	EUR
Currency difference annually	(18,182)	33,725
Withholdings Swiss payments	2,075	2,049
Other currency variances	7,417	875
	<b>(8,690)</b>	<b>36,649</b>

Due to the research and publication cycle, and related stakeholder engagement activities, Travel, Consulting, Subcontracting and Stakeholder Communication expenses can vary significantly per year.

## 26 Average number of employees

During the financial year, the average number of employees, based on full-time equivalents, was 5.8 (2017: 5.6).

## 27 Board remuneration and expenses

The Foundation is governed by a Board of Trustees. Board members may claim 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 4,325 was paid in total in fees (2017: EUR 5,975).  
 EUR 1,125 was paid to M. Hermanus (2017: EUR 1,000) - Chair  
 EUR 1,400 was paid to H. Campodonico, including fee EUR 800 (2017: EUR 400)  
 EUR 800 was paid to B. Dubach (2017: EUR 400)  
 EUR 200 was paid to L. Melvin (2017: EUR 2,775, including fee EUR 900)  
 EUR 600 was paid to R. Popper (2017: EUR 200)  
 EUR 0 was paid to A. van Wassenaeer (2017: EUR 200)  
 EUR 200 was paid to S. K. Woods (2017: EUR 400)  
 G. Carbonnier retired at the end of 2017 (2017: EUR 600)

The remuneration of the CEO (H. de Villiers-Piaget: France) was EUR 115,674 + EUR 16,286 pension for 1.0 FTE (2017: EUR 114,870 + EUR 16,179).

The remuneration of the COO (I. van Notten: Netherlands) was EUR 9,750 + EUR 981 pension for 0.1 FTE in 2018 for one month (2017: EUR 63,194 + EUR 6,745 for 0.59 FTE).

Amsterdam, March 15, 2019.  
Stichting Responsible Mining Foundation

## **The Board of Trustees**

Original signed by:

**May Hermanus**  
*Chair*

**Humberto Campodonico**  
*Board Member*

**Barbara Dubach**  
*Board Member*

**Ron Popper**  
*Board Member*

**Arent van Wassenauer**  
*Board Member*

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



**VAN NOORT GASSLER & CO**  
Audit, Accounting, Tax  
The Netherlands



## INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Responsible Mining Foundation

### A. Report on the audit of the financial statements 2018 included in the annual report

#### Our opinion

We have audited the financial statements 2018 of Stichting Responsible Mining Foundation, based in Nyon, Switzerland.

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 2018 and of its result for 2018 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 December 31, 2018;
2. the Statement of Income and Expenses for the year ended December 31, 2018; and
3. the Notes to the Financial Statements 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 report

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

- The Message from the Board;
- 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;
- contains the information as required by the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

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 Message from the Board Report in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

### 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 the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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**FORUM OF FIRMS**





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Audit, Accounting, Tax  
The Netherlands



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 among others:

- 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 entity'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 25, 2019

JPA Van Noort Gassler & Co B.V.

Original signed by  
R. van Dijck MSc RA  
*Chartered public accountant*



## **Responsible Mining** Foundation

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ANBI/Public Benefit Organisation  
Registration: File 92 102, 30 June 2014

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