



**Responsible**  
**Mining** Foundation

# ANNUAL REPORT 2019



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## MESSAGE FROM THE BOARD

The year 2019 opened tragically with the Brumadinho tailings disaster, which brought to global attention the huge mining-related risks faced by many communities, workers and environments around the world. The terrible loss of life, destruction of livelihoods and environmental cost represent the worst possible legacy for the whole area and for the mining company, Vale.

The picture that emerged over subsequent months illustrates well the important issues that the Responsible Mining Foundation is addressing, and the valued role that the Foundation is playing through its research and stakeholder engagement programmes.

The slow response of the mining industry and the proof that promises made in the wake of previous tailings dam failures had not been fulfilled show all too clearly that the mining industry cannot be left to self-regulate on even the most critically important issue of tailings safety. External drivers, including government regulations and investor pressure, have an essential role in making companies act responsibly, and here RMF has been working closely with initiatives such as the Investor Mining and Tailings Safety Initiative. Furthermore, mining companies need to be held to account on the basis of hard evidence and independent assessment. Among the heated discussions and huge media interest following the Brumadinho disaster, RMF's evidence-based results of the RMI Report 2018 on tailings – showing that Vale was performing just as poorly as the vast majority of other large companies – received widespread recognition from stakeholders such as tailings experts, investors and industry associations. And the expanded focus on tailings management in the forthcoming RMI Report 2020 will further drive much-needed transparency on this issue.

Another matter that has dominated global attention and headlines this past year – the urgent need for climate action – again puts the spotlight on the mining industry as a major contributor of greenhouse gas (GHG) emissions. A UN study revealed the extraction and primary processing of metals and other minerals as responsible for a quarter of global carbon emissions.<sup>1</sup> The latest results from RMF's research show that while companies are increasingly seeking to 'climate-proof' their operations, they are still ignoring one critical aspect: identifying and addressing the implications of climate change on their operations' impacts on communities, workers and the environment. The mining industry needs to do much more to reduce its climate change impacts and address its adverse impacts on people and ecosystems, to minimise its inherent and often unintended role in hindering achievement of the SDGs.

On this issue, we have noted a worrying trend. While companies are increasingly reporting on their positive contributions to the SDGs, they are practically silent on their negative impacts on global progress on these goals, prompting criticism of 'SDG-washing'. With only ten years left to achieve these internationally-agreed goals, RMF will continue to encourage mining companies to provide an honest picture of their impacts and transparent accounts of their efforts to better manage economic, environmental, social and governance (EESG) issues.

An SDG that mining companies have homed in on in their reporting is the goal on Gender Equality, though again this reporting is very selective. While some companies are setting goals and starting programmes to achieve more gender-balanced Boards and senior

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<sup>1</sup> UN Environment (2019). Global Resources Outlook 2019. Natural Resources for the Future We Want.

management teams, there is much less evidence of attention being paid to the representation, health and safety of women in the mining workforce as a whole. And strikingly little action is seen on assessing the impacts of mining operations on women in affected communities. RMF was invited by the UN Working Group on Business and Human Rights to participate as a Gender Council Delegate at the 2019 UN Forum on Business and Human Rights.

2019 also saw the launch of new industry standards on responsible mining, including the World Gold Council's Responsible Gold Mining Principles and ICMM's Performance Expectations. The universe of responsible mining principles and standards is becoming a relatively crowded one and many industry observers point to this proliferation as a 'problem'. But these are rather a symptom of the many problems inherently or carelessly caused by the mining industry, in both its formal and informal sectors. The issue of reporting fatigue is a real one, as companies are subject to multiple questionnaires and assessments some of which can be opaque and redundant. Yet, transparent initiatives like the RMI Report act as an invitation to the industry to transcend external information requests. By proactively making EESG data of public interest available in disaggregated and open data formats, companies can facilitate accountability and engagement. In fact, more transparency will reduce companies' reporting burden.

Mining companies have acknowledged for the second year in a row that their trust deficit with affected communities – the lack of a 'social licence to operate' – is their number one risk<sup>2</sup>. Companies often bemoan the delays and costs to their operations caused by conflict with local communities. At the same time, most companies continue to resist calls for asset-level disclosure even though data sharing is a first and crucial step in building trust and demonstrating respect for their neighbours – those who live with the disruptions and the threat of major disasters caused by mining.

Encouragingly, RMF's research has proved that it can be done: instances of good practice are evident on many issues. If mining companies work to systematically adopt these practices, they would come considerably closer to meeting society expectations and being a positive force for sustainable development.

Original signed by:

**Kofi Samuel Woods II**  
*Chair*

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<sup>2</sup> EY (2020). Top 10 business risks and opportunities – 2020.

# 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, 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 research organisation based 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.

# 2019 ACTIVITIES

The Responsible Mining Foundation (RMF) continued its enabling activities in support of continuous improvement in responsible mining through a range of public engagement, shared research and the development of tools and publications.

## Focus on small and mid-tier mining companies

Following the launch in 2018 of the first Responsible Mining Index (RMI) that focused on large-scale mining (LSM) companies, 2019 started with the publication of the *Mine-site ESG data disclosure by small and mid-tier mining companies*. This study assessed mine-site-level disclosure by 12 Toronto-listed small and mid-tier mining companies and their 31 mine sites located across 9 countries. The assessment covered 15 key environmental, social and governance (ESG) issues of strong public interest. The study found that while mine-site-level disclosure of ESG data is generally weak, with only three of the 31 mine sites scoring over 25%, stronger disclosure of ESG data is clearly achievable for many of them, and without much additional effort – a finding that resonates with the ‘it can be done’ finding in the RMI Report 2018.

## Comprehensive reference framework

A process of review and refinement of the methodology used for the RMI Report 2018 was undertaken to remove a few unhelpful indicators, simplify language, distil more incisive scoring metrics and round out a comprehensive and useful set of questions. The resulting *RMI Methodology 2020* was then published in May including revised text on each topic with full bibliography, a revised mapping of RMI topics to the SDGs and other ESG-related initiatives, the full set of indicators and metric questions, and a new addition: examples of kinds of evidence for each indicator to guide companies and others to know what sorts of evidence might provide a response to the various questions raised.

## Responding to stakeholders: awareness-raising and capacity-building:

Many investors had raised the point that they were not always sure what questions to raise, and what was reasonable to expect from companies on various ESG topics. As a result, RMF published the RMI Framework 2020, an extract of the RMI Methodology 2020, including topic outlines, indicators and questions, and examples of kinds of evidence in a special coffee-table format to enable easy access for users, including translations into six languages that were very well received in various parts of the world.

Another request that we heard repeatedly from many trade unions and civil society actors was for a complementary but simpler version of the RMI – easy to comprehend, easy to use, easy to apply, low on technology, and easy to share. And that could be used to engage all mining companies, not only those LSM companies included in the RMI reports, on issues of responsible mining most directly affecting communities and workers. This led to an iterative process of testing and piloting versions of a Mine-site Assessment Tool in different contexts and regions, still ongoing and scheduled for release in 2020.

Companies requested improvements to the company reporting platform, access to their data post publication, examples of kinds of evidence, and a simplification of the mine site indicators. These were all implemented prior to the start of the company reporting period for RMI Report 2020.

## **Public discourse**

A number of research insights were published on issues like tailings management, gender and external requirements. RMF participated at conferences and discussions on a range of responsible mining topics in Addis Ababa, London, Tanzania, Kyrgyzstan, Mongolia, Ottawa, Cape Town, Paris, Bali, Toronto, Lisbon, Geneva, Berlin and Kampala. RMF made formal submissions to initiatives like ISEAL, the World Gold Council's Responsible Gold Mining Principles, the Global Tailings Review, and the UN Working Group on Business and Human Rights.

## **Open data research and publication**

The months-long data-gathering and assessment process for the RMI Report 2020 covered 38 large-scale mining companies operating in over 50 countries and operating over 1000 mine sites. The scrutiny of over 3000 documents in English, French, Spanish, Russian, Indonesian, Portuguese and Chinese included data previously in the public domain and new documents supplied by companies, which will all be published in 2020 as a searchable data library. In support of the open data principles, RMF will also publish the raw data, scoring framework, and various compilations in machine-readable formats of relevant contextual data together with the RMI Report 2020.

## **Learning from network of experts and stakeholders**

Two learning journeys were undertaken by the RMF researchers, to Ghana and Mongolia, to learn in the field and directly from mining-affected societies, informal miners, mining companies, trade unions and other experts and stakeholders in context-specific settings. Furthermore, the RMF hosted the Expert Review Committee to finalise the revised RMI Methodology 2020, and in late 2019 an External Review Panel to review the preliminary results of the RMI Report 2020.

The RMF team could not have achieved all of this without the support of the many people around the world who contributed to our work, nourished our thinking and joined us in encouraging continuous improvement in responsible mining.



# 2020 PLANS

## Responsible Mining Index

In the first quarter of 2020, the results of the company research undertaken in 2019 will be published as the RMI Report 2020. This will cover 38 large-scale mining companies (listed, state-owned and private), operating 1050 mine sites in 55 producing countries, and covering over 35 commodities. The digital report will include individual company reports, individual mine site reports, and contextual data on operating mine sites, closed mine sites, tailings facilities, fatalities, shareholders, subsidiaries, and beneficial ownership. The 6 current languages will be expanded to include Portuguese, and the open data principles will be observed with the publication of the evidence as a searchable document library of over 3'000 documents, and the publication of the raw data and the scoring framework.

This will be followed by a range of dissemination activities and events to support awareness-raising, capacity-building and enabling of constructive engagement on responsible mining in various contexts and among different stakeholders and interest groups.

Companies having received the in-depth analysis on their EESG performance will have the opportunity to engage with the research team in a debriefing call and will be surveyed later on the process and significance of RMI to their EESG efforts.

## Responsible Extractives Trading

Following inquiries from many quarters over the last few years regarding further scrutiny of extractives supply chains and in particular the role of trading companies, RMF will undertake a new study on Responsible Extractives Trading. Based on emerging international guidance for trading companies the aim is to:

- Articulate what society can reasonably expect from extractives trading companies;
- Develop a simple, evidence-based measurement tool to assess policies and practices of large trading companies based on public domain data;
- Apply the tool to a portfolio of trading companies associated with a sufficiently representative geographical footprint and share in the global trade of commodities;
- Through the development of detailed indicators, metrics and kinds of evidence:
  - Support awareness raising of EESG issues in extractives supply chains;
  - Support capacity building for companies, regulators and others;
  - Expand the effectiveness of existing international guidance on responsible supply chains;
  - Support downstream customer efforts towards responsible supply chains.

## Enabling constructive dialogue

The development in 2019 of a Mine-Site Assessment Tool will be finalised, translated and published in 2020 to animate and support the evident need for structured and constructive engagement with the thousands of smaller mining companies around the world, and to support the animation of awareness-raising on the basics of responsible mining, provide an entry point for constructive dialogue, and support trust-building at mine site level.

Throughout the course of the year, RMF will use its research to influence the discourse on responsible mining through publication and public engagement around the world.

# 2020 BUDGET

## Budget 2020 by cost type

	Budget 2020 CHF
<b>Income</b>	
Grants	2'146'790
<b>Total income</b>	<b>2'146'790</b>
<b>Expenses</b>	
Salaries	775'400
Social Security & Pensions	147'239
Other Personnel expenses	2'000
Travel	275'625
Governance	40'000
Consultancy	199'000
Subcontracting	102'500
Communication	332'000
Office	44'500
Rent	118'125
Depreciation	8'000
Fin. Income/Exchange	0
Other/Contingency	102'219
<b>Total expenses</b>	<b>2'146'608</b>

## Budget 2020 by activity

	Budget 2020 CHF
<b>Income</b>	
Grants	2'146'790
<b>Total income</b>	<b>2'146'790</b>
<b>Expenses</b>	
Research and Analysis	828'503
Stakeholder Engagement	644'710
Governance & Organisation	571'176
Other/Contingency	102'219
<b>Total expenses</b>	<b>2'146'608</b>

# GOVERNANCE

The Responsible Mining Foundation is governed by the Foundation Board.

## **Board Members\***

Samuel Kofi Woods II (2016)

*Chair*

Humberto Campodonico (2017)

Magnus Ericsson (2019)

May Hermanus (2015)

Afshin Mehrpouya (2019)

Ron Popper (2017)

Arent van Wassenaer (2016)

\* Year in parentheses indicates year of joining the Board.

# BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	31-Dec-2019		31-Dec-2018	
		CHF	CHF	EUR	EUR
<b>Assets</b>					
<b>Material fixed assets</b>					
Office equipment	4		5'291		11'736
<b>Current assets</b>					
Deposits	5		310		275
Receivables, prepayments and accrued income	6		102'665		59'982
Cash and cash equivalents	7		467'051		503'042
			<b>575'317</b>		<b>575'035</b>
<b>Equity and liabilities</b>					
<b>General reserve</b>	8		1'849		1'411
<b>Equity</b>			50'000		-
<b>Current liabilities</b>					
Accounts payable	9	39'135		24'420	
Taxes, pensions and social security contributions	10	105'793		34'029	
Deferred grant income	11	370'540		461'500	
Other debts and accruals	12	8'000		53'675	
			<b>523'468</b>		<b>573'624</b>
			<b>575'317</b>		<b>575'035</b>

For the year 2018, the financial statements are presented in EURO, which was the functional currency of the Stichting Responsible Mining Foundation registered in the Netherlands. For the year 2019, the financial statements are presented in CHF, which is the functional currency of the Foundation since its domicile is now in Switzerland.

# STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Budget 2019 CHF	Results 2019 CHF	Results 2018 EUR
<b>Income</b>				
Grants & donations	14	2'504'000	2'194'932	1'689'456
<b>Total income</b>		<b>2'504'000</b>	<b>2'194'932</b>	<b>1'689'456</b>
<b>Expenses</b>				
Salary expenses	15	1'041'263	869'942	511'258
Social Security & Pension expenses	16	256'197	184'225	119'457
Other Personnel expenses	17	21'000	47'864	30'288
Travel expenses	18	359'000	290'816	313'316
Governance expenses	19	22'000	34'015	43'946
Consultancy expenses	20	207'000	328'301	160'123
Subcontracting expenses	21	107'000	107'093	189'750
Stakeholder communication expenses	22	255'000	211'649	210'441
Office expenses	23	33'680	34'475	32'029
Rent expenses	24	75'280	64'341	70'352
Depreciation of plant, property and equipment		8'000	7'930	11'305
Other/Contingency expenses		118'580	-	-
<b>Total expenses</b>		<b>2'504'000</b>	<b>2'180'651</b>	<b>1'692'265</b>
<b>Operational result</b>		<b>-</b>	<b>14'281</b>	<b>(2'809)</b>
Financial income & expenses			(4'316)	(5'778)
Exchange differences	25	-	(9'707)	8'690
<b>Total financial &amp; exchange</b>		<b>-</b>	<b>(14'023)</b>	<b>2'912</b>
<b>Net result</b>		<b>-</b>	<b>259</b>	<b>103</b>
<b>Distribution of net result:</b>				
Addition to general reserve			259	103
<b>Net result</b>			<b>259</b>	<b>103</b>

## Elucidation

In 2019, total expenditure was CHF 323'349 (12.91%) 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 Responsible Mining Foundation is registered in Switzerland as a not for profit foundation, no CHE-232.974.628. The registered office of the Foundation is: Rue Saint-Jean 4, 1260 Nyon, Switzerland.

Previously, the Board of Stichting Responsible Mining Foundation registered in The Netherlands as a not for profit foundation no 56483503, had 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.

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 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.

### 1.2 Financial reporting period

The current reporting period concerns the period from January 1, 2019 to December 31, 2019.

### 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 Triodos Foundation. As of January 1, 2020, the Foundation has committed funding for the period 2020 for CHF 2'146'700. The second Responsible Mining Index (RMI Report 2020) will be published in 2020; the Responsible Extractives Trading Study will be undertaken in 2020 and published in 2021.

## 2 Accounting policies for the balance sheet

### 2.1 General information

The financial statements have been prepared in accordance with Swiss law and in accordance with the Guidance for annual reporting of the Swiss 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 CHF, which is the representation and functional currency of the Foundation as from the year 2019. The conversion from EUR to CHF as of January 1<sup>st</sup>, 2019 was done at the following exchange rate : 1 EUR = 1.1265 CHF. The applied currency rate on December 31, 2019 was 1.087 for the assets and liabilities. (1 EUR = 1.087 CHF). In 2018 on 31 December: 1.1265 (1 EUR = 1.1265 CHF).

#### 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. Equipments contains office furniture and IT equipments.

### 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. The Foundation has no bank overdrafts or borrowings. Cash and cash equivalents are stated at fair 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

Equipment is depreciated over its estimated useful life as from the inception of its 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.

#### 3.11 Country policies

The changeover from Dutch to Swiss accounting, an adjustment will be shown in the Audited Financial Statement for 2019 showing CHF 50'000 less free income to allow for the foundation reserve (equity) of CHF 50'000.



## 4 Material fixed assets

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

	<b>Equipment</b> EUR	<b>Total</b> EUR
<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>Equipment</b> CHF	<b>Total</b> CHF
<b>Balance as 1 January 2019</b>		
Cost	43'901	43'901
Accumulated depreciation	(30'675)	(30'675)
<b>Book value</b>	<b>13'225</b>	<b>13'225</b>
<b>Movements in book value</b>		
Additions (computers)	-	-
Divestments	-	-
Divestments cumulative depreciation	-	-
Depreciation	(7'930)	(7'930)
<b>Balance</b>	<b>(7'930)</b>	<b>(7'930)</b>

	<b>Equipment</b> CHF	<b>Total</b> CHF
<b>Balance as at 31 December 2019</b>		
Cost	43'901	43'901
Accumulated depreciation	(38'605)	(38'605)
Conversion difference CHF/EUR	(4)	(4)
<b>Book value</b>	<b>5'291</b>	<b>5'291</b>
<b>Depreciation rate</b>	<b>33.3%</b>	

## 5 Deposits

	<b>31-12-19</b> CHF	<b>31-12-18</b> EUR
Security deposit for rental payments	281	250
Deposit for keys and passes	28	25
Conversion difference CHF/EUR	1	-
	<b>310</b>	<b>275</b>

<b>6 Receivables, prepayments and accrued income</b>	<b>31-12-19</b>	<b>31-12-18</b>
	CHF	EUR
Prepayments in travel	25'520	26'390
Prepayments in cost, pension and insurances	22'357	28'132
Benefit accident insurance	-	5'460
Office supply and IT	54'788	-
	<b>102'665</b>	<b>59'982</b>

<b>7 Cash and cash equivalents</b>	<b>31-12-19</b>	<b>31-12-18</b>
	CHF	EUR
Cash and cash equivalents	446'837	480'643
Rental deposit	25'232	22'399
Credit cards to be paid	(5'018)	-
	<b>467'051</b>	<b>503'042</b>

Cash and cash equivalents are at the Foundation's free disposal, except for the rental deposit for the Swiss research office of CHF 25'232 at UBS bank in Switzerland ; the deposits held on three credit cards, CHF 30'000 at UBS ; and 2019 spending expenses paid by these credit cards not yet reimbursed on 31 December 2019, for CHF 5'018.

## 8 General reserve

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

	<b>General Reserve</b>
	CHF
<b>Opening balance per 1 January 2019</b>	1'589
<b>Movements:</b>	
Result for the year	259
Conversion difference CHF/EUR	1
<b>Balance as at 31 December 2019</b>	<b>1'849</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.

<b>10 Taxes, pensions and social security contributions</b>	<b>31-12-19</b>	<b>31-12-18</b>
	CHF	EUR
Social securities and insurance Switzerland	105'793	34'029
	<b>105'793</b>	<b>34'029</b>

## 11 Deferred grant income

	31-12-19 CHF	31-12-18 EUR
Swiss State Secretariat for Economic Affairs	-	461'500
Netherlands Ministry of Foreign Affairs	373'416	-
Triodos Foundation	-	-
Conversion difference CHF/EUR	(2'876)	-
	<b>370'540</b>	<b>461'500</b>

During 2019 the Foundation paid smaller staff expenses than anticipated, some expenses were deferred to 2020, and cost effective measures together with the unused 5% contingency accounts for the deferred income of CHF 370'540.

## 12 Other debts and accruals

	31-12-19 CHF	31-12-18 EUR
Accrued auditor s fees	8'000	5'990
Accrued expenses	-	15'103
Vacation allowance	-	-
Unused holiday accrual	-	32'582
Conversion difference CHF/EUR	-	-
	<b>8'000</b>	<b>53'675</b>

## 13 Contingencies and commitments

### Financial obligations:

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 2020-2023 is CHF 194'800.

## 14 Grants and donations

	Results 2019 CHF	Results 2018 EUR
Swiss Secretariat for Economic Affairs	1'269'880	339'159
The Netherlands Ministry of Foreign Affairs	655'255	1'300'000
Omidyar Network Fund	-	50'297
Triodos Foundation	269'798	-
	<b>2'194'932</b>	<b>1'689'456</b>

## 15 Salary expenses

	Results 2019 CHF	Results 2018 EUR
Salaries	888'415	505'310
Benefit accident insurance	(39'953)	(5'460)
Holiday allowance and vacation days	21'480	11'408
	<b>869'942</b>	<b>511'258</b>

## 16 Social Security & Pension expenses

	Results 2019 CHF	Results 2018 EUR
Social security charges and pension costs	184'225	119'457
	<b>184'225</b>	<b>119'457</b>

## 17 Other personnel expenses

	Results 2019 CHF	Results 2018 EUR
Recruitment cost	1'096	3'418
Insurances staff	30'919	18'194
Other personnel expenses	15'849	8'676
	<b>47'864</b>	<b>30'288</b>

## 18 Travel expenses

	Results 2019 CHF	Results 2018 EUR
Travel Staff	153'017	97'402
Travel Board	91'744	44'523
Travel Others (Consultants, ERC, regional workshop participants)	46'055	171'391
	<b>290'816</b>	<b>313'316</b>

## 19 Governance expenses

	Results 2019 CHF	Results 2018 EUR
Board expenses	4'533	3'525
Board expenses, conversion difference CHF/ EUR	47	-
Legal expenses & Liability	13'583	33'705
Audit expenses	15'852	6'716
	<b>34'015</b>	<b>43'946</b>

## 20 Consulting expenses

	Results 2019 CHF	Results 2018 EUR
Research and methodology	328'301	160'123
	<b>328'301</b>	<b>160'123</b>

## 21 Subcontracting expenses

	Results 2019	Results 2018
	CHF	EUR
Administrative support	32'197	45'919
Research Partner	-	86'961
Information & Communications Technology	58'520	32'651
Salary and Social Security administration	-	11'696
Other	16'377	12'523
	<b>107'093</b>	<b>189'750</b>

## 22 Stakeholder communication expenses

	Results 2019	Results 2018
	CHF	EUR
Graphic design	42'034	34'088
Web design	88'046	39'524
Translation	52'390	42'378
PR & communication	1'956	68'020
Printing	23'882	22'887
Other	3'341	3'544
	<b>211'649</b>	<b>210'441</b>

## 23 Office expenses

	Results 2019	Results 2018
	CHF	EUR
Telecommunication expenses	16'993	16'540
ICT maintenance, support and software expenses	3'010	4'916
Office supplies	7'236	6'712
Postage	4'061	1'282
Other office expenses	3'175	2'579
	<b>34'475</b>	<b>32'029</b>

## 24 Housing expenses

	Results 2019	Results 2018
	CHF	EUR
Office rent	61'277	51'680
Meeting accomodation	2'121	15'217
Energy	944	3'455
	<b>64'341</b>	<b>70'352</b>

## 25 Exchange & payment differences

	Results 2019	Results 2018
	CHF	EUR
Currency difference annually	10'799	(18'182)
Withholdings Swiss payments	-	2'075
Other currency variances	(1'092)	7'417
	<b>9'707</b>	<b>(8'690)</b>

## 26 Average number of employees

During the financial year, the average number of employees, based on full time equivalents, was 8.05 (2018 : 5.8)

## 27 Board remuneration and expenses

The Foundation is governed by a Board of Trustees. Board members may claim a nominal attendance fee of CHF 222.5 per meeting for their work in their capacity as board members. The Chair receives a nominal attendance fee of CHF 417. For significant operational tasks, board members of the Board may charge a management fee on a pre-agreed basis. During the reporting period CHF 4'533 was paid in total in attendance fees and CHF 1'335 as consulting work (2018 : EUR 4'325). The conversion difference CHF/EUR (CHF 47) is included under note N°19.

CHF 1'669 was paid to M. Hermanus (2018: EUR 1'125) - Chair

CHF 890 was paid to H. Campodonico (2018: EUR 1'400 including fee EUR 800)

CHF 0 was paid to B. Dubach (2018: EUR 800 )

CHF 0 was paid to L. Melvin (2018: EUR 200)

CHF 890 was paid to R. Popper (2018: EUR 600)

CHF 1'084 was paid to S. K. Woods (2018: EUR 200)

CHF 1'335 was paid to A. Mehrpouya for consulting work

The remuneration of the CEO (H. de Villiers-Piaget: France) was CHF 147'246 + CHF 18'792 pension + CHF 21'480 as unused holiday for 1.0 FTE (2018: EUR 115'674 + EUR 16'286)

The remuneration of the COO (S. Sobczak : Switzerland) was CHF 91'082 + CHF 18'748 as illness pay benefit in 2019 for 1.0 FTE

Nyon, March 18, 2020.  
Responsible Mining Foundation

## **The Board of Trustees**

Original signed by:

**Samuel Kofi Woods II**  
*Chair from 2020*

**Arent van Wassenauer**  
*Treasurer*



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Report of the statutory auditor  
on the limited statutory examination  
to the Foundation Board of  
RESPONSIBLE MINING FOUNDATION  
Nyon

As statutory auditor, we have examined the accompanying financial statements of RESPONSIBLE MINING FOUNDATION, which comprise the balance sheet, the statement of income and expenses and the notes for the year ended 31 December 2019. Another auditor audited the comparative figures.

These financial statements are the responsibility of the Foundation Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's articles of incorporation.

Nyon, 19 March 2020

MOORE STEPHENS REFIDAR SA

Original signed by:

Jacques Gossen  
Licensed Audit Expert

Déborah Dépraz  
Licensed Audit Expert





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Registration nr: CHE-2232.974.628  
Public Benefit Organisation

Design: Omdat Ontwerp, The Netherlands