



ARTISANAL AND FORMAL GOLD MINING IN PERU: A DEEP-DIVE ASSESSMENT INTO MINERA YANAQUIHUA S.A.C.

Solidaridad and RJC joined forces to commission an independent impact evaluation at Minera Yanaquihua S.A.C. (MYSAC). This evaluation measures the impacts from RJC Certification at the company, as well as from the broader partnership between Minera Yanaquihua and Solidaridad that will foster greater cooperation with the Artisanal and Small-scale (ASM) miners on the concession.

Minera Yanaquihua is one of the first partners in Solidaridad's industrial mining pilot project which aims to support better practices at mid-scale industrial gold mines, including improved environmental and social

conditions for workers and communities around the mines. Solidaridad selected RJC's Code of Practices as the standard in the project, based on the outcome of a 2010 comparison study of standards used by the mining industry in which RJC ranked the highest. RJC membership also offers the possibility for jewellery companies to buy certified gold from Minera Yanaquihua through a certified chain-of-custody. RJC and Solidaridad have been collaborating on activities that support their shared goal of ensuring better, more transparent and accountable practices throughout the gold supply chain.

- **RJC Member since:** May 2012
- **Certification:** Code of Practices – Achieved in 2014
- **Number of employees:** 522 full time employees and contract workers
- **Annual gold production:** 24,500 ounces in 2014
- **Area of land:** 1,840 hectares
- **Type of mining:** Underground
- **Processing:** Cyanidation
- **Environmental context:** Desert
- **Nearby community:** Ispacas and Charco
- **ASM on concession:** 664 ASM miners operating in 3 ASM mining associations on the concessions

Solidaridad commissioned Deloitte to conduct a gap analysis to review the social and environmental practices of Minera Yanaquihua against the RJC Code of Practices in 2011. In November 2013, Solidaridad and RJC visited the mine to discuss progress towards certification. In 2015, Solidaridad and RJC contracted Avance, a Dutch-based consultancy specialised in evaluations, to perform a retroactive baseline and midterm evaluation of progress.

MYSAC received RJC Certification in 2014. The motivation for RJC Certification was grounded in the company philosophy of being a company that understands the needs of those in the community, and cooperates with them to seek win-win situations, as well as to promote added value in the mining sector.

Some of the highlights from the journey of MYSAC with RJC certification include:

- Investment in training plus equipment and management system upgrades at its operations in order to achieve RJC certification. Between 2013 and 2015, the health and safety training rate among Minera Yanaquihua's employees rose from 63 per cent to 100 per cent. Training at one of the artisanal mining associations that now works in close collaboration with the company rose from 54 to 92 per cent.
- MYSAC has extended assistance to nearby ASM mining communities to help them operate legally and with proper safety and environmental practices and is working with three of these communities. All members of the three organisations have signed the declaration of commitment. The AMACCI organisation (consisting of 105 miners) has achieved five of the six main steps to formalisation for ASM mining associations. The other two organisations are early on in the process.
- In 2013, mercury use among artisanal miners at AMACCI, an artisanal mining association from Ispacas community close to Minera Yanaquihua's operation, was very high. It was reported that thirty-eight per cent of AMACCI miners used mercury. Now, after entering into an agreement with Minera Yanaquihua to formalise their operations and phase out mercury use, artisanal miners reported that mercury use has been completely phased out.
- Minera Yanaquihua reported that the certification process was useful, in particular because the two-year deadline for meeting the RJC criteria provided extra incentive for the management to prioritise the development of health, safety and environmental management systems and safeguards.

The midterm evaluation will be completed in late 2015 and a final evaluation will follow in 2016 or early 2017. The main findings of the report will be shared publicly.

“Being part of RJC certification process has allowed us to expand our understanding, that all stakeholders should be included in MYSAC strategic positioning, whose projects must identify their expectations and create value along the supply chain.”

MYSAC has joined participation projects that meet the needs of our area of influence, especially in the improvement of water supply for agricultural activities. In socio-environmental aspects, we have been able to contribute in improving the income and health of our ASM suppliers through the purchase ore activities, avoiding the increase of environmental liabilities and other collaterals.

Another important contribution of the RJC Certification is that has created a challenging and creative environment to improve our practices, standards and infrastructures despite the limited resources that we have.”

Pavell Galvez, General Manager, MYSAC

Minera Yanaquihua funded its own certification process and co-contributed to an improvement project with ASM miners. The Cartier Charitable Foundation has been the primary supporter of Solidaridad's role in the project, through a 3-year grant to guide the process and improve ASM miners' livelihoods on and around the concession. The Responsible Jewellery Council contributed to the external evaluation component.