



# The GemFair Way

## 2022-2023

---

Supporting inclusion of a  
wider GemFair membership  
and upskilling artisanal  
miners on responsible mine  
site closure



# CONTENT

|                    |   |
|--------------------|---|
| <b>The context</b> | 1 |
|--------------------|---|

## **Building Forever**

|   |   |
|---|---|
| Another year of mine site reclamation and sustainable farming . . . . . | 2 |
| Key progress highlights . . . . .                                       | 3 |
| Our reclamation programme . . . . .                                     | 5 |
| Deep dive: Transforming a former diamond mine into a fish pond. . . . . | 6 |
| Expanding our access to finance programme . . . . .                     | 7 |

## **Programme**

|  |    |
|--|----|
| Our assurance programme . . . . .                              | 8  |
| Our management system . . . . .                                | 10 |
| Results . . . . .  | 11 |
| GemFair helps miners acquire their operating licenses. . . . . | 12 |
| Our new membership category. . . . .                           | 13 |
| Extending training to female miners . . . . .                  | 15 |

## **GemFair of the future**

|  |    |
|--|----|
| Our collaboration with Tracr™ . . . . .      | 16 |
| Focusing on geological intelligence. . . . . | 17 |
| Conclusion . . . . .                         | 18 |

## THE CONTEXT



This year we continued to grow our programmes supporting the livelihoods of artisanal miners in Kono district, Sierra Leone. We converted five more mine sites into small farms and collaborated with the farmers to improve soil quality and crop yields. We also made improvements to our Forward Purchase Agreement (FPA or “access to finance”) programme to make it fit-for-purpose for both miners and GemFair. As part of this, we introduced a new mine site trenching method, which allows miners to sustainably reclaim each mine site after excavation. We plan to introduce this method more widely in 2024.

We improved our assurance programme procedures with a focus on ensuring our support goes to miners who need it the most, based on a considered risk assessment. We also piloted a new membership model that aims to make GemFair more inclusive to a greater number of miners. This involves enabling miners to participate in the programme earlier in their formalisation journey, while opening the door to the support and benefits of full membership once key criteria has been met. In 2024, this model will become part of our normal operations.



Our collaboration with Tracr™, the leading diamond industry provenance platform, also progressed. GemFair and Tracr co-developed a prototype diamond search tool so we can now trace our diamonds from rough at source through to polished. By combining GemFair’s bespoke upstream traceability solution with Tracr’s solution, which harnesses blockchain and a unique record of our diamonds, end-clients can now have an immutable record of a GemFair diamond’s ethical journey from source onwards.







# Building Forever

## ANOTHER YEAR OF MINE SITE RECLAMATION AND SUSTAINABLE FARMING

In 2023 we focused on scaling our reclamation programme and making our farming practices even more sustainable and productive. We continued to implement the recommendations of our agronomist advisor, which delivered increased yield, particularly for our rice crops. Using the System of Rice Intensification (SRI) method, where farmers plant fewer seedlings spaced further apart, farmers doubled rice yields during the harvest while using fewer resources.



The SRI method in action



Rice harvest



Farmers gathering rice



**KEY PROGRESS  
HIGHLIGHTS**

**15**  
Full-time jobs  
created

**5**  
New reclamation  
sites converted  
into farms

**1**  
Fish pond

**3.6**  
Acres of land  
reclaimed and  
farmed

**18**  
Pits backfilled

**330 kg**  
Seedlings donated  
by GemFair

**8**  
Types of plant  
harvested

**8**  
Harvests completed

**67%**  
Female farmers



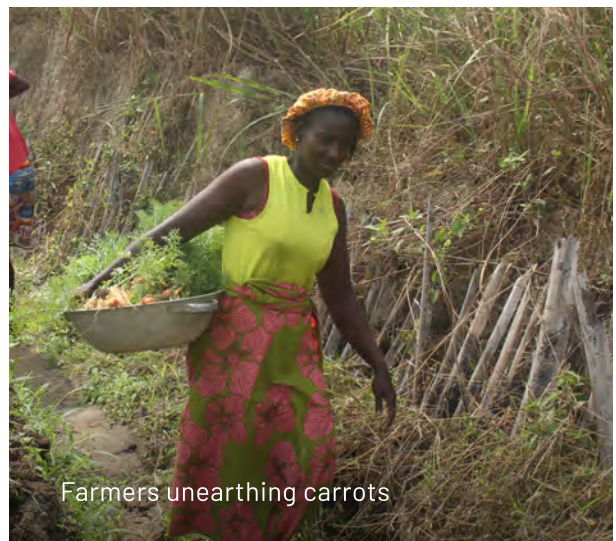
Another focus was improving soil quality on our farms. We monitor the pH of the soil and reduce its acidity by adding oyster shells or compost. After so many years of mining, some of the soil was so degraded that enriching it would not be sufficient enough. Instead, we removed the most degraded soil and added entirely new topsoil and compost, which has significantly improved crop growth.



Several farmers enjoying the harvest at Koryadu 2 farm



Harvest of carrots



Farmers unearthing carrots



## BACKFILLING PITS TO MAKE RECLAMATION EASIER

To continue making mine site reclamation easier and more affordable for artisanal miners, we piloted a trenching method at two mine sites in our FPA programme. This involved miners extracting gravel and backfilling each trench (or pit) before continuing with mining. Once backfilling was completed, the entire mined area was covered with the topsoil retained at the start of mining, plus new topsoil made from composting.

This method enables mining licence holders to return land to arable form at the completion of mining. In our pilot, the farmer was able to plant rice, banana and orange trees for future harvests.

The trench method is faster and cheaper than traditional methods of mine site reclamation. It's also more efficient – by covering most of the pits during the mining process, the workers can return the entire site to its original state more quickly.



Trenching method in implementation



## DEEP DIVE: TRANSFORMING A FORMER DIAMOND MINE INTO A FISH POND

A mine site excavated with heavy equipment is nearly impossible to reclaim. So what do you do with it? In late 2022, we collaborated with the community in Tefeya village to find an abandoned site where we could create a new use for the pit: converting it into a pond and populating it with native fish.

A team of 10 workers led by a local expert constructed the fish pond over a three-week period. They then treated it with lime to regulate the water's pH level, making the pond hospitable for tilapia fingerlings (young tilapia). After a few months of letting algae grow, they worked with the expert to source and stock the pond with 700 fingerlings and run a session with GemFair staff and the community on how to feed the fish.

The journey to date has been a tremendous success – we've recorded nearly 1,500 fish, including fingerlings, juveniles and adults.



Our first former mine site converted to a pond in Tefeya



Populating the pond with fish

**“For the villages surrounding this pond, it’s providing an affordable source of food and income from selling the fish at the market.”**

— Rebecca, Outreach Officer



## EXPANDING OUR ACCESS TO FINANCE PROGRAMME

In 2023, we further expanded our Forward Purchase Agreement (FPA or “access to finance”) programme. The artisanal mining sector needs equitable and transparent finance, and this carefully designed programme delivered vital financial support to 56 mine sites this year. They can use this funding to hire labour on fair terms and to cover their operational costs. In addition, all sites receive a stipend to cover daily meals for miners.

## IMPROVEMENTS TO FPA MEMBER BENEFITS IN 2023

- We benchmarked all miner incomes against our living wage calculation and updated the account for foreign exchange changes and inflation
- All operational licence holders are now considered part of the workforce and therefore able to access daily remuneration, in addition to diamond winnings
- We increased the stipend for health care provisions
- We covered license fees for all FPA beneficiaries.

We also took two important steps to maintain the long-term financial sustainability of the FPA programme. Firstly, we based our financial decisions on our increasing knowledge of the geological potential of mine sites, which means miners can now be more confident in diamond recovery.

They also contribute to commercial sustainability by paying back into the programme. As in previous years, GemFair assumes all risk in the event the miner is unable to repay through diamond winnings that season.

Looking ahead to 2024, we’re exploring how we can further use this financial partnership, for example, in some of our harder to reach standards, such as mine site closure.

This year the FPA programme created 312 new full-time jobs.





## OUR ASSURANCE PROGRAMME

One of our priorities in 2023 was to streamline our Responsible Artisanal and Small-scale Mining (ASM) Assurance Programme, building on our learnings to date. After five years of operation, we now have a much deeper understanding of the risk profile of the ASM sector in Kono. The risks we were most concerned about in 2018 – such as child labour, human rights violations, conflict financing and forced labour at artisanal diamond mines – have not been found in Kono’s ASM sector.

As such, we’ve been able to identify opportunities to more efficiently manage our resources by shifting to a sample-based mine site monitoring approach. This means that 25% of our fully onboarded members will receive spot check site visits each year, rotating year on year. Should a critical corrective action be identified, we’ll increase the frequency of our visits until it is resolved.

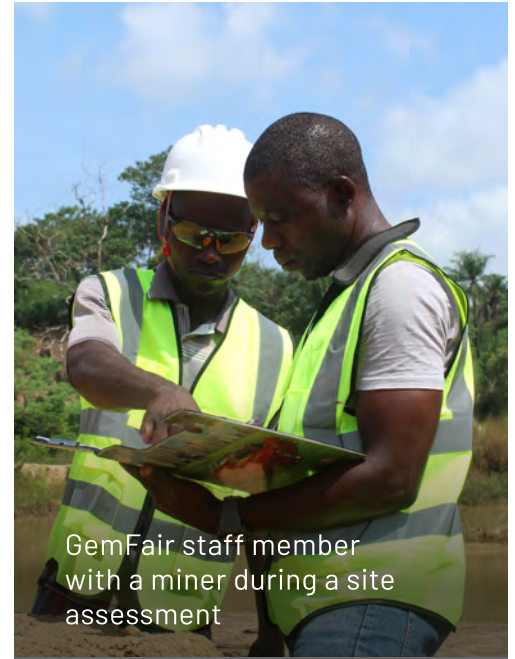




This shift away from monitoring the performance of every site to a sample-based schedule frees up time to focus on onboarding new members and collaborating with miners who need more support. This approach is also in keeping the spirit and intent of the OECD Due Diligence Guidance's risk-based approach. Should the risk profile heighten for any reason, we will adjust our approach as necessary.



Pit excavation



GemFair staff member with a miner during a site assessment

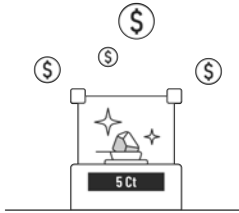


GemFair team on a mine site



## OUR MANAGEMENT SYSTEM

During 2023, the GemFair field team continued intensive work with members to implement their corrective action plans. We've seen encouraging results:



### Wages

Wages are improving at participating mine sites, with some mine workers reporting a significant uptick in their wages in the past year.



### Safety

Workers are wearing personal protective equipment and they're talking about safety issues more openly. There is also a higher awareness of how to behave more safely onsite.



### Environmental impact management

GemFair ASM members have improved practices relating to the disposal of engine oil, with each miner storing the oil onsite and GemFair staff disposing of it safely.

Of the 331 active mine sites in our programme, 185 completed all their corrective action plans, and 126 have plans in progress.



**2023  
RESULTS**

**331**  
Sites participating in  
GemFair

**4,965**  
Individual workers  
(approx.)

**186**  
Anti-money laundering  
checks

**11**  
Training sessions

**86**  
Training participants

**3,612**  
Mine site assessments  
(cuml. since 2018)

**126**  
Mine sites received  
PPE

**2022  
RESULTS**

**263**  
Sites participating in  
GemFair

**3,933**  
Individual workers  
(approx.)

**121**  
Anti-money laundering  
checks

**27**  
Training sessions

**375**  
Training participants

**2,479**  
Mine site assessments  
(cuml. since 2018)

**129**  
Mine sites received  
PPE

## GEMFAIR HELPS MINERS ACQUIRE THEIR OPERATING LICENCES

One of the ways GemFair supports miners is by helping them to obtain their operating licence. We do this in a couple of ways. Firstly, some miners approach us for advice because they've never applied for an operating licence before. In this instance, we walk them through the steps to get permission from the township, the Paramount Chief and finally the National Minerals Agency (NMA). We also guide them to ensure they pay fees to the correct authorities. Secondly, we collaborate with miners who want to renew their licence by verifying their paperwork and following up with the NMA once the miner submits the application.

**“We're educating miners about how the licencing process works and we're helping the chieftdom and government by securing legitimate mining revenue.”**

— Komba, GemFair Outreach Officer

GemFair team on a mine site



## WE PILOTED A NEW MEMBERSHIP CATEGORY

Since its inception, GemFair has been guided by three core values: traceability, empowerment and fair value. This year we added a fourth: inclusion.

Inclusion reflects our commitment to improving access to our programme for a wider range of miners. In 2023, we piloted a new membership category which allows miners to engage with GemFair no matter where they are on their journey – from entry-level to best in class – and work towards the benefits of full membership once the core programme requirements have been met.

### OUR UPDATED CATEGORIES ARE:

#### FPA members

Full GemFair members receiving financing through our FPA programme.

#### General members

Full GemFair members receiving a suite of benefits, including tailored training, diamond valuation toolkits and PPE provision.

#### Pilot membership category

An inclusive new membership option inviting entry-level mines to start their journey with GemFair.

## HOW THE PILOT WORKS

The new Pilot membership category encourages miners interested in engaging with our programme when they bring their diamonds to our buying office.

At this stage we conduct several checks:

- The miner has a full and valid licence
- The miner passes background checks (WorldCheck)
- Miner makes declaration that they operate in line with programme core requirements (in line with OECD Due Diligence Guidance)

Once a miner has passed this verification, they're invited to sell their diamonds to GemFair and benefit from the fair value we offer. GemFair adds their mine sites to our system, where they're subject to post-transaction visits on a periodic basis to make sure they continue to meet our requirements.

This approach to due diligence also improves the impact of the GemFair programme. It gives us a platform to formalise and improve standards across the artisanal diamond sector.

We onboarded 47 miners to the pilot.

**“This membership pilot is giving more miners access to our diamond buying office, where they're treated with respect, paid immediately for their diamonds and can learn about the wider benefits of becoming a full GemFair member”**

— Raymond, Location Manager

## TAKEAWAYS FROM THE PILOT

New members often approach us following word-of-mouth endorsement from existing GemFair members and stakeholders. Many who joined our Pilot membership category have expressed their desire to become full members.

While these sites meet our [Core Requirements](#), GemFair trainers can support them to improve their mining and business standards. Some of those new members have already participated in additional standards training.



## WE EXTENDED TRAINING TO TWO FEMALE DIAMOND MINING COOPERATIVES

During a visit to the Kenema district of Sierra Leone, we met with two women-only artisanal mining cooperatives. Women more often participate in the gold sector in Sierra Leone – rarely the diamond sector – so we wanted to meet them and hear more about their experiences.

The female miners felt at a disadvantage when negotiating with diamond buyers. They were interested in foundational diamond valuation training to help them understand the value of their diamonds and negotiate a better price.

We arranged a full day training course in GemFair’s office in Koidu. Our diamond buyers and the field team welcomed eight women from the cooperatives and an interpreter. The course covered the fundamentals of diamond valuation, including the four Cs – clarity, colour, cut and carat. The course provided a good foundation for initial diamond valuation, and we look forward to building on this training in the future.

**“The members of the cooperatives feel they have been cheated by the people who buy their diamonds. Before the training, they did not know how to weigh their diamonds, use a hand loupe or determine the estimated yield of their diamonds. Through this training, we are helping the female miners negotiate a better price for their diamonds.”**

— Musa, GemFair Training Officer

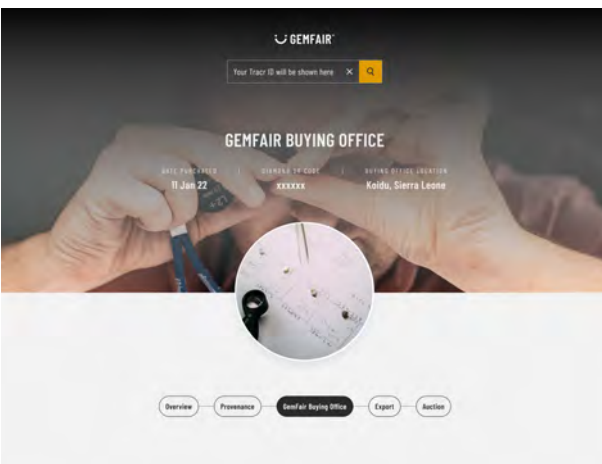
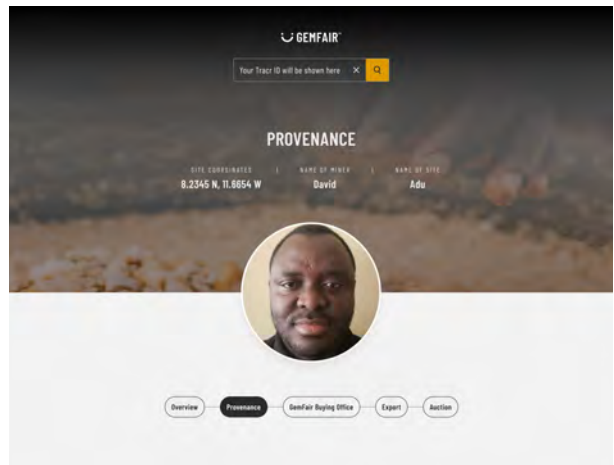
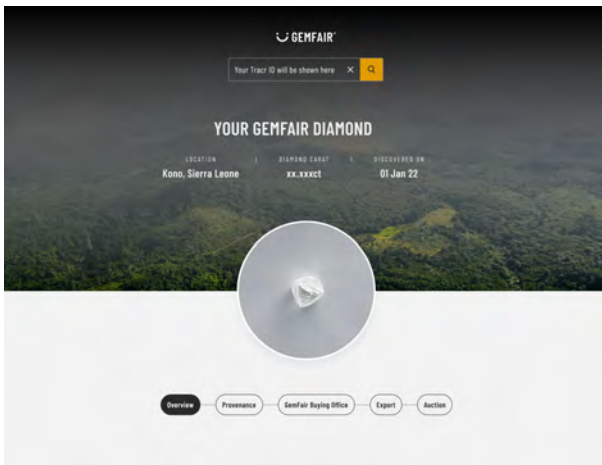


# The future of GemFair

## OUR COLLABORATION WITH TRACR™

This year, we deepened our partnership with Tracr, the leading diamond provenance blockchain platform. We can now provide enhanced confidence to our customers that the diamonds they purchase have made a positive and lasting impact at mines and within artisanal mining communities.

We've co-developed a prototype diamond search tool that hosts each GemFair diamond's story, from mine site to market. In doing so, we're meeting our objective to connect artisanal miners with responsible international markets and changing the perspective of artisanal diamond mining globally. Artisanal mining is a source of local development and empowerment for miners and communities, and we're proud to support this story.





## WHY IS THIS COLLABORATION IMPORTANT?

GemFair delivers an upstream traceability solution, powered by a bespoke diamond logging app, a tablet, QR-coded bags and a diamond valuation toolkit (including a scale, hand loupe and ruler). However, regulatory frameworks and customer requirements mean we need to group our diamonds into larger lots at various stages of the supply chain. Our collaboration with Tracr enables us to maintain traceability of individual diamonds as they pass through these stages.

At our buying office in Koidu, we now create 360° videos of our rough diamonds and upload them to the Tracr platform, where they are used to create a unique record for the diamond. As our diamonds are sold, our clients have the option to do the same, which is the basis for stone matching and reconciliation of the diamond story.

## FOCUSING ON GEOLOGICAL INTELLIGENCE

In 2022, GemFair contracted leading geologists to help us develop a better geological understanding of the locations where our member mine sites operate. We hope that by supporting miners to identify where to mine, it will increase the chance of diamond recovery – improving both their livelihoods and production.

With a framework in place, we hired a full-time in-country geologist who has been collecting samples and building a repository of data using the Arc-GIS supported Field Maps survey platform. All data is geo-referenced, which helps identify geological patterns, especially when overlaid with layers from pre-existing studies.

In 2023 GemFair completed surveys at more than 116 mine sites. We then weighed and combined the collected data with production data (from existing sites) to inform each miner’s work plan and investment decisions.

As our knowledge and understanding grows, we’ll share more details on our approach and findings. With a robust understanding of the geological context in which they operate, we can improve both the outcomes for artisanal miners and the sustainability of the GemFair programme.



Weathered Kimberlite Rock Samples

## CONCLUSION

This was our most significant year for scaling our reach in the region and our customer base. Our reclamation and farming programme expanded to include several exciting pathways, such as increased productivity at the farms, and building a fish pond for the community. We improved the implementation of our FPA programme, providing fair financial access for artisanal miners and move toward greater commercial sustainability, both for miners and for GemFair. And we're excited to refine the work from our membership Pilot to make the journey to becoming a GemFair member more inclusive for Kono's artisanal diamond miners.

In the year ahead, we'll convert the Pilot membership category into an official part of our programme. We also plan to teach the trenching method more broadly to help miners reclaim their sites, with our financial assistance where appropriate. With these tools at our disposal, we envision 2024 to be the year we scale to deliver benefits to as many artisanal miners as possible, acquire a greater volume of diamonds and create more fulltime employment for Kono's miners and the surrounding community.

## Keep in touch



Website

[www.gemfair.com](http://www.gemfair.com)



LinkedIn

[GemFair](#)



Instagram

[@Gemfair](#)

