



Alliance for Responsible Mining



FAIRTRADE LABELLING ORGANIZATIONS INTERNATIONAL

FAIRTRADE AND FAIRMINED STANDARD FOR GOLD FROM ARTISANAL AND SMALL-SCALE MINING, INCLUDING ASSOCIATED PRECIOUS METALS

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SECTION A: Standard for Artisanal and Small-scale Gold Mining

Throughout this document, STANDARD refers to the “Fairtrade and Fairmined Standard for Gold from Artisanal and Small-scale Mining, including associated precious metals”.

Throughout this document, “Fairtrade” refers to “Fairtrade and Fairmined” according to existing approaches and concepts of FLO and ARM. “Fairtrade certification” refers to certification against this STANDARD. Where the STANDARD refers to trademarks or labels of FLO and ARM, this is indicated by using “FAIRTRADE” and/or “FAIRMINED” in capital letters.

0. General Requirements and Guidance

0.1 Purpose of the Standard, Vision and Principles for Responsible Artisanal and Small-scale Mining

The STANDARD is aimed at creating opportunities for economically disadvantaged artisanal miners and their communities. Artisanal gold is defined as gold and associated silver and platinum mined by the same artisanal and small-scale mining operation.

The scheme is for artisanal and small-scale miners as defined in section 0.2.1, not medium and large operators. It is not intended for gold rush situations, but rather seeks to act as an incentive for organization and formalization of artisanal and small-scale mining (ASM).

The overall objective of this STANDARD is to promote the formalisation of the ASM sector, bringing with it improved working conditions for producers, strengthened producer organizations with the capacity to lobby for legislation and public policies that promote a responsible ASM sector, improved environmental management (including mitigation of the use of mercury and ecological restoration), gender equality, progressive elimination of child labour in mining, fairer market access, benefits to local communities in mineral rich ecosystems, and improved governance to this sector.

The STANDARD follows ARM’s vision for Responsible Artisanal and Small-scale Mining: “ASM is a formalised, organised and profitable activity that is technologically efficient, socially and environmentally responsible; the sector's development takes place within a framework of good governance, legality, participation and respect for diversity; it seeks to make an increasing contribution to improved workplace conditions, local development, poverty reduction and social peace within our countries, stimulated by growing consumer demand for sustainable minerals and ethical jewellery.”

Artisanal and Small-scale Mining (ASM) for gold constitutes a livelihood for between 10-15 million artisanal small-scale miners, and it is estimated that over 100 million people depend on it for seasonal and/or indirect income.

This FAIRTRADE and FAIRMINED certification scheme is aimed at creating opportunities for economically disadvantaged artisanal miners and their communities, which often includes agriculturalists and/or herders.

0.2 Scope

0.2.1 Organizational Scope

The STANDARD applies to “**Artisanal and Small-scale Miners’ Organizations**” (ASMO). ASMOs are member-based organizations and have the responsibility for Fairtrade certification. Under this umbrella there are several types of mining organizations (see definitions below).

ASMO (Artisanal and Small-scale Miner’s Organization)

- An organization comprised of self-employed miners that are members/shareholders. The ASMO, or members of it, owns valid mining rights (mining concession, contract, etc.) that allow all members and Production Partners to work legally.

- In addition, usually a series of other self-employed artisanal miners may be allowed by the ASMO to work under its umbrella in the mining area. These can be individual miners, family units, groups of self-employed miners or even other community based organizations like women mineral selectors, who are working in close coordination with the ASMO and (for the purpose of this STANDARD) called “**Production Partners**”. Production Partners are workgroups under the umbrella of the ASMO. The ASMO registers and controls them and has the responsibility over all miners operating under its umbrella. Further criteria on how this control performs are to be defined within Compliance Criteria of the Certification Body. As Production Partners are allowed by the ASMO to work in its mining area, the ASMO is responsible for compliance with the STANDARD in its mining area and for organizing their activities (e.g. make sure that Production Partners’ work areas do not interfere, etc.), and Production Partners are responsible to follow instructions of the ASMO.
- All miners of the organization and its Production Partners are registered (the minimum requirements for registration are described further below).
- In some cases contracted workers work in the ASMO’s processing plant, within work-groups in the mine hired by the organization, or hired by individuals of the Production Partners.
- In some cases “**Production Partners**” are legally established small-scale mining companies with formalized business operations. If the amount of workers they employ exceeds 50 contracted workers, then these Production Partners are considered as **Small-Scale Mining Organizations (SSMO)** who must apply separately for Fairtrade certification and a standard supplement applies (Chapter 5).
- If **Production Partners** are not a legal company but hire workers, then the organization (ASMO) has the responsibility over these workers (implications for applicability of Chapter 4 on Labour Development and Premium use are described below in the STANDARD).

The **certified entity is the organization** (ASMO).

In any case the ASMO or its processing facilities (owned by the ASMO) must have trade functions for selling gold, or have delegated its trade function to a third party which can be a local trader. An ASMO can also be an umbrella organization.

Four types of Artisanal and Small-scale Mining (ASM) can be broadly classified, however the term “small” always refers to artisanal, labour intensive and low productivity mining practices.

a. Permanent Artisanal and Small-scale Mining

- *Full time, year round activity, often involving traditional mining communities (over one generation of miners)*
- *Frequently the only economic activity or sometimes accompanied by other activities like farming, herding, small-scale goods trading, or other extractive tasks of indigenous and rural groups.*

b. Seasonal Artisanal and Small-scale Mining

- *Seasonal switching of activities or seasonal migration of people into artisanal mining areas, much like seasonal crop migration in coffee and cotton production.*
- *Frequent during periods of low agricultural activity to supplement annual incomes, or during the dry periods when sections of the riverbeds may become accessible for mining. In this case mining provides the income for subsistence agriculturalists or herders.*

c. Rush Artisanal and Small-scale Mining

- *When mass migration to gold rich areas occurs, based on the perception of income opportunities from recently discovered deposit far exceeds the current actual income*
- *It is not uncommon for former rush areas to become new communities and rush miners to settle in the area.*

d. Shock-push artisanal or subsistence mining

- *A poverty driven activity after recent loss of employment in other sectors, conflicts or natural disasters.*

- *Many of the individuals, mostly itinerant and poorly educated, have no other choice and miners remain trapped in the poverty cycle.*

Permanent artisanal mining and seasonal artisanal mining are frequently referred to as community based mining. Implicit in the term is the understanding that the local population is the driving force behind the mining operation, building their own livelihood strategy upon the mineral resources within their communal territory. Rush-type and shock-push artisanal mining has the potential to create new communities and become community based mining but the STANDARD is designed to cover only existing, conflict free, community based, permanent and seasonal ASM.

Artisanal mining operations have varying numbers of miners, from individual gold panners, through small groups (typically four to ten miners), to ASM cooperatives or communities involving hundreds of miners and workers.

A key characteristic of ASM is that it is highly labour intensive, and due to it being physically demanding mine workers may need to retire aged approximately 40. Therefore, to maintain membership rights, miners must contract workers to replace their role at the rock face. Mineral selection in dumps (overburden rock discarded by miners before processing due to its low gold content, and tailings) is less demanding and better suited to women, older men and youths. Dumps may contain amounts of gold that are still economically interesting to recover by individual “mineral selectors”.

As ASM is labour intensive, a large number of miners are needed but can still be considered small-scale.

ASM involves male and female miners working individually (as panners or mineral selectors), as family groups or in groups according to cultural tradition, organization and technologies. Groups are organised into different legal forms dependent on legal requirements in their country.

*Artisanal miners can participate in Fairtrade if the **ASMO (Artisanal and Small-scale Miner’s organization)** in place can engage in commercial activities, contribute to environmentally sustainable social and economic development of its members, Production Partners and their communities, and is democratically governed by their members.*

The ASMO may be a shareholder organization, cooperative, community based organization (e.g. a “miners’ association”, or a “mining committee” of a small farmer community), or joint trading platform. The ASMO usually owns the mining rights (though in some cases the mining rights may be owned individually by members of the ASMO). All ASMOs actively promote responsible mining practices and community development in their area of influence.

Formal agreements are stipulated between the registered Production Partners and the ASMO members/shareholders, which cover responsibility of the ASMO for internal monitoring of standards compliance, and ensuring traceability and democratic governance of the Fairtrade Premium.

The ASMO is a legal organization with a General Assembly. Additionally, the ASMO must establish a Premium Committee who administers the Fairtrade Premium. The Premium Committee within the ASMO is separate from the General Assembly. The Premium Committee ensures use of the Premium is decided by the miners, the Production Partners and the duly registered workers that operate in the mining area of the organization.

To overcome legal restrictions or financial risks such as liquidity, some ASMOs may need to delegate their trade function to a third party such as a local trader; otherwise they cannot become Fairtrade gold producers. Requirements for the delegation of trade functions are laid out in Section B and emphasise that the ASMO maintains full control over trade, Premium and traceability.

0.2.2 Scope of mining area

The origin of Fairtrade gold and associated precious metals is exclusively from areas for which the ASMO possesses the mining rights (mining concessions, mining lease, exploitation contract, or equivalent denominations according to national legislation), owns or has agreed the land use rights with the land owner, and has applied for certification for those areas.

Legal frameworks vary in different countries in their recognition and regulation of ASM. In some countries artisanal miners have lobbied for special artisanal mining laws, in other places ASM remains illegal. Most nations have laws that are evolving towards increasing recognition of rights for ASM, within legal frameworks that were designed to cater primarily for medium and large mining companies.

This STANDARD allows certified gold produced at a particular publicly registered mining area, or mine where progress by the miners' organization is in compliance with the STANDARD, to be inspected and monitored. It includes a system to ensure the traceability of the metals from mine to market, which is designed to guarantee that the labelled product (FAIRTRADE and FAIRMINED® gold, silver and platinum) put on the market is a product coming from a certified mine.

If the ASMO owns more than one mining right, the application has to specify the mining area (the mining rights) in which the ASMO plans to produce certified gold. If the ASMO obtains additional mining rights after certification, the scope of the mining area needs to be extended before certified gold can be produced in these new areas.

0.2.3 Product scope

The STANDARD covers gold from hard-rock and alluvial artisanal and small-scale mining, but considers gold may be found in association with other precious metals such as silver and platinum. These can also be certified as Fairtrade when found alongside the certified gold.

Artisanal and small-scale miners develop their activity in mineral deposits with geological characteristics that allow for a generally simplified exploitation. There are many mineral deposits such as riverbeds, alluvial plains and outcrops of small veins, as well as mines and tailings abandoned by medium- and large-scale miners that can be exploited after a simple survey, using basic but effective artisanal mining practices.

Techniques used range from the basic to more sophisticated. The complexity and efficiency of technology tends to increase with miners' organization, technical assistance, financial capacity and higher education level.

Throughout this Section "gold" refers to gold and associated silver and platinum found in the same mining operation. While associated silver is of marginal economic relevance and associated platinum occurs only in rare cases, both by-products are included in the STANDARD to promote full use of the mineral deposit through the incentive of the Premium.

Section A on artisanal and small-scale mining refers to raw gold as found in the mine, while Section B on processing, trading and manufacturing refers to fine gold as used in consumer products.

Price and Premium is based on the pure gold content, contained in the raw gold or fine gold.

0.2.4 Geographical scope

The geographic scope of the STANDARD is Latin America.

The scope excludes areas where conflict between the agricultural activity and artisanal and small-scale mining activity occurs. Such areas will be identified by FLO and ARM according to the

“Explanatory Document and Procedure for the determination of Areas Temporarily Excluded (ATE)”. The list of such areas is maintained by both organizations.

In these areas small-scale mining organizations can receive an exception and apply for certification if they can demonstrate to an independent body that no conflict exists between their organization and surrounding agricultural sector.

The STANDARD needs to be internationally accepted, but must have local, regional or national application, to ensure it is applicable at all levels. For that reason ARM and FLO will first observe the STANDARD implementation in Latin America, and then test its applicability in Africa and Asia, where adaptations may be required.

The request for exclusion of specific areas for certification of artisanal and small-scale mining must specify the exact areas and the reasons for exclusions. Identification of conflict areas must be specific and cannot cover entire provinces or countries.

Applicants, in the case of exceptions, need to provide positive endorsement by an independent body to the certification body who will be the ultimate authority to decide on certification. Audits include a verification of the non-existence of prevailing conflicts.

0.3 Structure

Each section of the STANDARD begins with an introductory statement that describes the objective of that section. Then the standard sets out the requirements in its exact terms.

0.4 References

When setting the Fairtrade standards, the following **internationally recognized standards and conventions are taken in consideration**, particularly those of the International Labour Organization (ILO), as the most widely recognized international labour standards. In this document the requirements are worded in their own terms but, where applicable, references are given to other external standards that FLO follows.

FLO additionally requires that producer organizations always abide by **national legislation** unless that legislation sets standards which are below the referenced internationally recognized standards and conventions, in which case the international standards prevail. However, where national legislation sets higher requirements on a specific issue than these standards then that national legislation shall apply. The same applies to regional and sector-specific practices.

The STANDARD adheres to ARM’s principles for responsible ASM and all herein mentioned references, as published by ARM and included below.

PRINCIPLES FOR RESPONSIBLE ASM

(Source: The Golden Vein: A Guide to Responsible Artisanal and Small-scale Mining. ARM Series on Responsible ASM, 2008)

1. The Millennium Development Goals and Declaration on Sustainable Development

We declare our commitment to the Millennium Development Goals and the Johannesburg Declaration on Sustainable Development and to the following specific principles for Responsible Artisanal and Small-scale Mining:

2. Legality

Responsible Artisanal and Small-scale Mining (ASM) complies with the national legal frameworks.

Where national legislation does not recognize the legal rights of community-based artisanal and small-scale miners, despite their legitimate efforts towards legalization, we will, as far as possible, work with organized ASM and national governments, to lobby for improved public policies for responsible ASM

organizations interested in committing to the principles. The STANDARD will not support organizations involved with armed conflict in any way, including financing conflict or the use of revenue to engage in activities that facilitate the purchasing of arms.

3. Human Rights

Responsible ASM is based on the Universal Declaration of Human Rights and on UN declarations regarding the cultural, social and economic rights of individuals. The rights of artisanal and small-scale miners must be respected, and their violation, denounced. Responsible community based artisanal and small-scale miners organizations respect the human rights, as well as the social, economic, cultural, and labour rights of every person involved and of the local community, as fundamental principles. The rights of women, disadvantaged groups and individuals, including migrant workers, are specifically included.

4. Decent Work

Responsible ASM is decent work in line with the ILO Conventions. Work in Responsible Artisanal and Small-scale Mining is performed in conditions of freedom, equality, safety, and human dignity, free from child labour, allowing the access of small-scale minerals producers, workers and their families to a decent standard of living.

5. Quality of Life and Sustainable Human Development for ASM communities

Responsible ASM contributes to the sustainable human development of their communities. Responsible Artisanal and Small-scale Mining improves the quality of life of men and women miners, their families, and the community that hosts ASM endeavours, respecting the conceptions and priorities of each community.

6. Environmental Stewardship

Responsible ASM actively encourages better preventive and restorative environmental practices and the application of responsible methods of production. Responsible miners abide by the environmental laws in their countries, contribute to environmental protection, human health and ecological restoration in its operations and communities, and mitigate negative impacts. Respecting protected areas, avoiding damaging important biodiversity, minimizing the ecological footprint of mining, and, where possible restoring or replacing biodiversity, and where this is not possible, compensating for that residual loss, are principles for environmental protection.

7. Gender Equality

Women's work is properly valued and rewarded. In the organizations and initiatives of responsible ASM, equality should exist among men and women in all rights, including access to resources, the use of earnings, and participation and impact on decision-making processes. Women are always paid for their contribution to the production process and are empowered in their organizations. The miners' organization ensures equal pay for equal labour regardless of the labourer's gender. In organizations, processes and activities where there is marginalisation of women, measures and actions shall be taken in order to improve equality.

8. Multicultural Nature

Artisanal and Small-scale Mining often develops in contexts of ethnic and cultural diversity. Where indigenous peoples or other ethnic groups are owners of the territory and are different from the miners themselves, responsible ASM organizations will undertake consultations based on the spirit of ILO Convention 169, with respect for local cultural practices in order to reach agreements with the local traditional authority and community, with regards to the impacts and benefits of mining operations and trading in that indigenous or ethnic territory.

9. Armed Conflicts

The STANDARD strengthens the rights and activities of artisanal and small-scale miners who work under the difficult and dangerous conditions of internal armed conflicts. In order to improve the working and living conditions of small-scale miners, their families and communities in conflict zones, the STANDARD is based on the spirit of International Humanitarian Law which tries to widen the range of activities of civilians in the situation of an internal armed conflict, and to delimitate the action of the armed parties. Community based Artisanal and Small-scale Mining Organizations strengthen the possibilities of small-

scale miners as a vulnerable social group, so that they cannot be extorted or forced to collaboration by armed groups or armed individuals (e.g. financial contributions, delivering of information etc.).

0.5 Definitions

Amalgamation: Mineral processing method which extracts gold from mined ore using mercury to create amalgam which is then decomposed leaving gold. .

AMD: Acid Mine Drainage (AMD) is a natural process of oxidization of sulphide minerals and creation of SO_2^{2-} ions, caused by exposing rocks containing such minerals to air and water. AMD caused by mining can occur within the mine, in waste rock dumps or in tailing ponds.

ASMO (Artisanal and Small-scale Miner's Organization): An Artisanal and Small-scale Miners' Organization (ASMO) is a member organization comprised of self-employed miners who are members or shareholders. The majority of the members are active miners in the ASMO. The ASMO is legally entitled to carry out artisanal and small-scale mining activities and is responsible for all mining activities within its mining area(s). The ASMO usually has an operation run by its members, with Production Partners and/or with contracted workers. The ASMO has responsibility for Fairtrade certification (see also under 0.2.1).

Community based artisanal and small-scale miners: The local population who act as the driving force behind the mining operation and build their own livelihood strategy upon the mineral resources within their communal territory.

Regarding community origin of the members of the ASMO:

Depending on the local geographic situation the term "community" needs to be interpreted in the local context. This can involve either a local community in a narrower sense or a (mostly long-term) temporary settlement for miners originating from surrounding communities within a wider region (usually not exceeding adjacent 2nd level administrative areas or traditional indigenous areas). The later applies if the remote location of the mine doesn't offer alternative livelihood opportunities and the miners combine the income opportunity in the mine with their livelihood strategy in their home community.

Regarding the community responsibility of the ASMO:

The local area is the area where the ASMO has its mining rights including the land rights (where applicable). If there is a community within this area or within the direct surrounding area, then this is considered to be the community where the ASMO has the responsibility and is the driving force for development.

Concentrate: Intermediate product from mineral processing with a high concentration of gold. The concentrate is processed further to obtain the metallic gold.

Cyanidation: Mineral processing technology of dissolving gold in a cyanide solution (cyanide leaching) and subsequent recovery of the gold from the solution by precipitation with zinc or through absorption on activated carbon and subsequent desorption.

Fairtrade certified gold: Fairtrade certified gold is mined, processed and traded according to the STANDARD.

Throughout this document "gold" makes reference to gold and associated silver and platinum found in the same mining operation of the ASMO. Section A on artisanal and small-scale mining refers to raw gold as found in the mine, while Section B on processing, trading and manufacturing refers to fine gold as used in consumer products.

Throughout this document “Fairtrade gold” refers to gold from certified producers that can be used according to Section B in consumer products labelled with FLO’s FAIRTRADE Mark and ARM’s FAIRMINED label.

All gold that

- originates from the mining area of the ASMO,
- and has been produced by the ASMO or its PPs,
- and is fully traceable within the ASMO and its PPs,
- and can be traded through the ASMO

is certifiable as Fairtrade gold.

While associated silver is of marginal economic relevance and associated platinum occurs in rare cases, both by-products are included in the STANDARD to promote full use of the mineral deposit through the incentive of the Premium.

Grievance Procedure for Human Rights and Environment: The ASMO has a Grievance Procedure for human rights and environment in place.

A responsible person for grievances must be nominated by the ASMO management. Grievances, concerns and corrective measures must be documented.

If the issues cannot be resolved between the ASMO and the Stakeholder, concerns must be investigated by a competent Environment or Human Rights body (as applicable). This body must be recognized by the National Federation of the affected producers. If there is no response on an agreement of the competence of such a body, FLO/ARM reserves the right to decide on their behalf within 30 days.

A grievance investigation and decision must be taken within 90 days after the receipt of a grievance.

The costs of investigation must be covered by the ASMO, except in case of repetitive grievances decided previously already in favour of the ASMO, where costs must be covered by the party that loses arbitrage. The terms of references of the investigation must be approved by the certification body.

The ASMO has to take measures in accordance with the decision taken by the competent Environment or Human Rights body.

Internal Control System: The ASMO has an Internal Control System to avoid non registered miners selling to them, or that registered miners sell mineral/ gold from areas outside of the ASMO.

The purpose of the ICS is to monitor the origin of mineral and gold.

All processing facilities (applies also to domestic processing facilities if they sell into the Fairtrade chain to the plant of the organization or to the organization) must have a documented Internal Control System available onsite. Minimum requirements are:

- a list of all Production Partners that deliver gold to them, signed by the responsible person with ID card No.
- delivery date
- delivered amount
- area of origin, assigned by the ASMO to the miners groups (name, description)
- gold content
- laboratory results (if applicable)
- the payment (if applicable onsite)

The second element of the ICS of an ASMO is regular monitoring of the assigned areas where workgroups/Production Partners operate. The ASMO checks randomly through visits who works in such areas and monitors the daily delivery to processing facilities. Such visits are done by authorized persons of the ASMO (Supervisor / Shift leader). The ASMO records frequency, date and irregularities (if applicable).

Members of the ASMO: Refers also to shareholders of the ASMO.

The members of the ASMO are usually those who started the mine and secured the mining rights.

Miner: The term “miner” refers to any person involved in artisanal and small-scale mining.

Mineral, Minerals: All rock or gravel material extracted from the mine. According to its economic value, mineral is classified as ore and waste rock.

Mineral processing: Technical process to separate ore into gold or gold concentrate and tailings.

Mineral selectors (mainly women): Organized mineral selectors are Production Partner Organizations of the ASMO, who usually work on the surface of the mining area of the ASMO and deliver selected minerals to the plant of the organization or to domestic processing plants controlled by the ASMO.

Women mineral selectors are self-employed. Improving technology easily affects them negatively.

Mineral Selectors have delegates in the Premium Committee of the ASMO.

Miners’ organization: Refers to the “ASMO and all its Production Partners including all workers”, and as such to the totality of all registered miners (see below).

Mining Area: the area within which the owner of the mining right can mine the subsoil.

Mining Right: the exclusive right (conferred by the National Mining Authority) of a legal or natural person to extract minerals from the subsoil within a certain area (mining area).

Ore: Mineral (rock or gravel) which contains gold at an economic concentration (grade) and that is therefore suitable to be processed.

(PP) Production Partners and

(PPO) Production Partner Organizations: Production Partners (PP) can be individual miners, workgroups (see below) or even other community based organizations like women mineral selectors, who are working in close coordination with the ASMO and are allowed by the ASMO to work in its mining area and under its registration. Production Partners work under the umbrella of the ASMO. They are registered and supervised by the ASMO (see also under ‘registration’).

Usually Production Partners are self employed, and have clear internal rules that define how the profits of a specific campaign are shared among its associates. They may divide earnings either before or after processing.

Production Partners (PP) work in several forms, mostly in workgroups that work in the scope of operations of the ASMO, and are formed by:

- members of the ASMO together with other self-employed miners, or
- family units of members of the ASMO, or
- local community groups such as women miners (with no member of the ASMO involved), and including
- workers hired by individuals, or
- workers of the PPs collectively hired.

Production Partners that are small companies and employ more than 50 contracted workers (permanent and temporary) are considered to be separate Small-Scale Mining Organizations (SSMO). They must apply for Fairtrade certification themselves and comply with the supplement under Chapter 5. If a PP falls into this category (more than 50 workers and being a formal company), it must comply with the supplement under Chapter 5.

Formally organized Production Partners which are member organizations, such as women mineral selector associations are Production Partner Organizations (**PPO**).

PPOs are certified under the umbrella of the ASMO.

They can administer their respective Premium share themselves.

The ASMO is responsible for compliance of this STANDARD at the PPO level.

Production Partners obtain the ASMO's permission to work in the ASMO's mining area and are registered by the ASMO.

In any case, if a PP employs more than 50 workers and is a formal company, the PP is considered a SSMO and has to comply with the supplement under Chapter 5.

PP, established as small companies with less than 50 workers may voluntarily apply for Fairtrade certification as an SSMO if they comply with the supplement under Chapter 5.

For workers hired by PPs without SSMO status the ASMO is responsible.

Production Partners (PP) that are not SSMOs may want to go a step further than just participating at production level, and may want to become actively involved in local development through Fairtrade, by administrating their share of the Fairtrade Premium autonomously. For that purpose the PP has to be a formal, publicly registered organization (referred to as Production Partner Organization – PPO). While a PPO needs to be formally constituted, it is not necessary for it to have a trade function. As the internal traceability system identifies the PPO's share of the total ASMO production, the share of the Fairtrade Premium which corresponds to the PPO is clearly determined. In order to administrate their share of the Fairtrade Premium, PPOs have to comply with all requirements of PPs (certified at ASMO level), but have to comply additionally with all requirements necessary for transparent and democratic Premium decisions and use. Certification of PPOs is done within certification of the ASMO and not as a standalone certification. The certification of a PPO only authorizes the PPO to administrate their share of the Fairtrade Premium autonomously, within the certification of the ASMO. The ASMO is required to pass on the corresponding share of the Fairtrade Premium to the certified PPO(s). If the ASMO is decertified, the PPO is automatically also decertified.

Women Mineral Selectors: *Women mineral selectors (which may have specific denominations, like Peru: Pallaqueras, Bolivia: Pailiris, Ecuador: Jancheras, etc.) select minerals from the waste rock and process them or deliver them to the processing plant of the organization. In some cases these groups may also include male mineral selectors, such as retired or disabled persons. If registered with the ASMO they are Production Partners. A Women Selector Organization can become a PPO: if a Women Mineral Selectors' organization aspires to administrate its proportional share of the Fairtrade Premium autonomously, it has to be a publicly registered, legal organization and needs to comply with the requirements for PPOs.*

Registered Miner: Registered miners of an ASMO are members, self-employed miners and/ or workers that work in the mining area of the organization and are registered by the ASMO.

Miners of an SSMO are workers with working contracts.

Registered miners have a mutually agreed direct (with the ASMO) or indirect (with a PP) working relation with the ASMO; either as members, self-employed miners or as workers.

The term “non-registered miner” is used in this STANDARD to describe people involved in mining in the ASMO's mining area without consent of the ASMO.

While it is the responsibility of the ASMO and in its own interest to avoid the existence of non-registered miners, community relations often limit the potential of sanctions against persons refusing to obey the rules. The ASMO cannot be held responsible for non-registered miners who engage in mineral extraction but refuse to register and follow the ASMO's rules; the ASMO will not accept mineral or gold from non-registered miners; and non-registered miners will not participate in Premium decisions.

Registration, registered by the organization and Mining Plan: The ASMO registers all Production Partners and workgroups within its mining area. The ASMO register contains all miners (workers, self-employed miners, members of the Organization) that are allowed by the ASMO to extract and/or process mineral from the ASMO's mining area, as well as a Mining Plan identifying all PPs and workgroups.

For each registered miner, the ASMO records at least:

- name
- date of birth
- legal document / identity card number
- distinguishing name of the Production Partner or workgroup

For each PP or workgroup, the ASMO records at least:

- distinguishing name
- location where the PP or workgroup is allowed to work
- name of the leader (responsible for compliance)
- names of all registered miners pertaining to the group
- agreements about processing (if the group will deliver mineral to the ASMO plant or process the mineral on their own)

SSMO (Small-Scale Mining Organization): Small-Scale Mining Organizations (SSMO) are hired labour based Production Partners. An SSMO must be legally a company. SSMOs have to apply for Fairtrade certification themselves and comply with the supplement under Chapter 5.

Structural dependence of hired labour exists if the shareholders are dedicated to decision making and administrative tasks, while all physical work is done by workers.

In any case, and independent from the type of work of the shareholders (i.e. even if the shareholders engage in physical work together with their workers), if a production partner employs more than 50 workers, the production partner is considered a SSMO.

Production Partners with less than 50 workers which are legally a company are free to apply also for Fairtrade certification as an SSMO.

For workers hired by Production Partners without SSMO status the ASMO is responsible and its workers are represented in the Premium Committee as described in the standard.

Tailings: Intermediate or final product from mineral processing with low concentration of gold. Tailings are deposited at tailings dumps or in tailings ponds. In some cases tailings can be reprocessed to recover remaining gold.

Waste rock: Mineral which contains no gold or uneconomic gold grades and that is therefore permanently or temporarily disposed of.

Workers: The term “workers” refers to all waged employees of the ASMO, its Production Partners (PP) or of the SSMO. It includes migrant, temporary, seasonal, sub-contracted and permanent workers. Where family labour of members of the ASMO, PP or SSMO is employed directly by the Organization, the term “workers” also includes them.

Workers have delegates in the Premium Committee of the ASMO.

Workgroup: A group of registered miners who work together in the same location within the mine.

A workgroup could be:

- Production Partner,
- members of the ASMO working as a team (with or without additional workers),
- one ASMO member working with his or her workers,
- one ASMO member working with his or her family.

Apart from Production Partners (which are also workgroups), workgroups can also be formed by members of the ASMO working as a team. Also one ASMO member working together with his workers is a workgroup.

0.6 Implementation

When undertaking inspections and certification decisions, the certification body will closely follow the exact wording of the Standard and the objectives and guidance given.

Technical **compliance criteria** for the standards are developed by the certification body (FLO-CERT). In cases where there is doubt over whether an operator has correctly applied a requirement, the certification body will make its assessment according to the objectives set out in these standards.

0.7 Application

This is the first version of the *Fairtrade and Fairmined Standard for Gold from Artisanal and Small-scale Mining, including associated precious metals*. It becomes applicable from March 15th of 2010.

0.8 Monitoring of amendments

ARM reserves the right to amend the STANDARD in accordance with the Standard Operating Procedures of the Joint Gold Standards Sub-Committee, conformed by delegates of the FLO Standards Committee and the ARM Technical Committee. Requirements of the STANDARD may be added, deleted, or otherwise modified. Those who have to meet the STANDARD are required to monitor pending and finalized revisions on the ARM and FLO websites.

Certification ensures the compliance with the STANDARD. Revision of the STANDARD may lead to a change in the requirements of Fairtrade Certification. Those who wish to be certified or have already

undergone certification are required to monitor pending and finalized certification policies and compliance criteria on FLO-CERT's website <http://www.flo-cert.net>.

1. Social Development

1.1 Members of the Organization are Community Based Artisanal and Small-scale Miners

Intent

This STANDARD is directed at community based Artisanal and Small-Scale Miners' Organizations (ASMOs) comprising all possible forms of organizations that they constitute. A community based ASMO is comprised of members of the organization that mines and processes in cooperation with its Production Partners and workers. As members of the local community they contribute to its social and economic development.

1.1.1 Minimum requirement

Artisanal miners can participate in Fairtrade if an ASMO (Artisanal and Small-scale Miners' Organization) is in place.

1.1.2 Minimum requirement

The majority of the miners working under the umbrella of an ASMO is comprised by community based artisanal or small-scale miners including artisanal mining entrepreneurs with contracted workers.

1.1.3 Minimum requirement

The ASMO has membership criteria as defined in its own stated rules and regulations (organization's constitution or by-laws).

1.1.4 Minimum requirement

The ASMO registered all miners that work in its mining area and has rules and criteria for its Production Partners (PP) that work in their mining area.

1.1.5 Minimum requirement

Fairtrade gold may only be produced by the ASMO and its PP and of gold ore from the mining area of the ASMO.

Gold and gold ore from non-registered miners and from outside the mining area must be kept separate from Fairtrade gold and must not be sold as Fairtrade gold.

1.1.6 Minimum requirement

The ASMO has an Internal Control System that excludes mineral or gold from non-registered miners and avoids that registered miners deliver mineral or gold from areas out of the ASMO's mining area.

1.2 Fairtrade adds to development

Intent

Fairtrade should make a difference in development and quality of life for artisanal and small-scale miners and the communities where they live. Fairtrade certification requires legalisation and formalisation of all mining related operations, including trading. Therefore, miners wanting to enter the system must formalise all their commercial activities and pay all their taxes. In many countries mining royalties are partly redistributed to the mining regions, where the local government can use them for infrastructure, education, health and other public goods, and/or improving quality of life. In addition, responsible ASMO who participate in certification must demonstrate that they develop mining activity without destruction of other natural resources that are required by other groups in the local community, be it ethnic groups or agriculturalists and herders, and that they implement effective conflict management mechanisms.

1.2.1 Minimum requirement

Taxes, fees, royalties and other tributes as required by applicable legislation are paid to the relevant authority.

- 1.2.2 **Minimum requirement**
The mining operations are conducted with the agreement of the legal and traditional local community authorities. The ASMO has a Grievance Procedure for human rights and environment in place, which includes a due diligence process.
- 1.2.3 **Minimum requirement**
Revenues of the ASMO and its PPs must not be used directly or indirectly to finance or support illegal activities or armed conflicts.
- 1.2.4 **Progress requirement**
The ASMO plays an active role in planning and promoting local sustainable development.

1.3 Democracy, Participation and Transparency

Intent

The ASMO must be an instrument for the social and economic development of the members, their families and the local community, while in particular the benefits of Fairtrade must come to the members, Production Partners and workers. The organization must therefore have a democratic structure and transparent administration, which enables an effective control over the management, including the decisions about how the benefits are shared. Furthermore, there must be no discrimination regarding membership and participation, in particular, there should be no gender discrimination.

- 1.3.1 **Minimum requirement**
The ASMO has a legal, transparent and democratic organizational structure in place, which enables effective control by the members. There is a General Assembly with direct or delegated voting rights for all members as the supreme decision making body, and an elected Board. The staff answers to the General Assembly via the Board.
- 1.3.2 **Minimum requirement**
The ASMO holds a General Assembly at least once a year.
- 1.3.3 **Minimum requirement**
The ASMO's annual report, budgets and accounts must be presented in an understandable and clear manner for all, to and approved by the General Assembly.
- 1.3.4 **Minimum requirement**
The ASMO has administration in place.
- 1.3.5 **Progress requirement**
The ASMO works towards transparent planning of the business. Such planning is approved by the General Assembly.
- 1.3.6 **Progress requirement**
The ASMO establishes or improves internal mechanisms for members' control over the administration.
- 1.3.7 **Progress requirement**
The participation of members in the ASMO's administration and internal control is promoted through training and education.
There is improvement of the flow of information from the Board to members about the ASMOs' business and policies.
- 1.3.8 **Progress requirement**
Measures will be taken to review the members' commitment to the organization.

1.4 Non-Discrimination

Intent

The STANDARD follows the Universal Declaration of Human Rights on ending discrimination. The Declaration rejects “distinction of any kind such as, race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status” (art. 2). The STANDARD expects ASMOs to apply these principles within their own stated rules and regulations (constitution, by-laws and internal policies).

As the STANDARD is a voluntary social standard aiming to support the development of its beneficiaries, “positive discrimination” is intended (see under 1.4.2 and 1.4.3).

Exclusive membership criteria of women miners organizations, indigenous miners organizations or similar organizations where a common characteristic determines common development goals are not considered discriminative.

All requirements also apply for PPOs.

1.4.1 Minimum requirement

The ASMO’s membership and registration rules do not discriminate on the basis of race, colour, gender, sexual orientation, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin unless this is consistent with its goals and objectives. Furthermore there must be no discrimination regarding participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefit of membership.

1.4.2 Progress requirement

Programs related to disadvantaged/minority groups working within the ASMO are in place to improve the position of those groups in the organization, particularly with respect to recruitment, staff and committee membership.

1.4.3 Progress requirement

Appropriate measures are being taken to ensure equal representation of women in the Miners’ organization.

2. Economic Development

2.1 Fairtrade Benefits

Intent

The Fairtrade Premium (further explanations given in Section B of the STANDARD) is an amount paid by the buyer to the ASMO in addition to the payment for their products. The Fairtrade Premium is a tool for development, supporting the organization to realize their development objectives as laid down in their development plan. In the context of ASMOs it is meant for investment in the social, economic and environmentally sustainable development of the organization, its members and Production Partners and through them, their families, workers and surrounding community. Production Partner Organizations (PPOs) administer the share of the Fairtrade Premium that corresponds to their production. It is for the organization and its members to analyse and evaluate the possible options for spending the Fairtrade Premium. Choices should be made and priorities set depending on the specific situation of the organization and the available amount of Fairtrade Premium. Decisions on the use of the Fairtrade Premium are taken democratically by the members of the ASMO. The General Assembly approves the Premium Plan proposed by the Premium Committee that is comprised by representatives of all Production Partners, following principles of transparency and participation. It is the joint responsibility of the ASMO/PPO and its members to take wise and fair decisions.

The ASMO and the PPOs (where applicable) have the commitment and capacity to administer the Fairtrade Premium in a way which is transparent for the beneficiaries.

Procedures, roles and responsibilities for handling the Fairtrade Premium are set out in more detail in a separate Explanatory Document.

- 2.1.1 **Minimum requirement**
Within one year of certification the ASMO carries out a needs assessment into how the Fairtrade benefits help promote the environmentally sustainable social and economic development of the organization, its Production Partners and the community.
- 2.1.2 **Minimum requirement (as soon as Premium is available)**
The ASMO administers and manages the Premium transparently.
- 2.1.3 **Minimum requirement (as soon as Premium is available)**
A Premium Committee is established that represents all members and Production Partners. The ASMO establish Internal Regulation on how this Committee is comprised based on the principles of transparency and participation.
- 2.1.4 **Minimum requirement (as soon as Premium is available)**
The planned use of the Fairtrade Premium is proposed to the ASMO by the Premium Committee.
- 2.1.5 **Minimum requirement (as soon as Premium is available)**
The use of the Fairtrade Premium is approved by the General Assembly of the ASMO and the respective General Assembly of the PPO (if applicable). The decision is transparent to members, Production Partners and workers.
- 2.1.6 **Progress requirement (see 2.1.3 as soon as Fairtrade Premium is available)**
The ASMO and the PPO (if applicable) put an annual Fairtrade Premium Plan and budget in place.
- 2.1.7 **Progress requirement**
Within three years of certification, the ASMO has a development plan in place to address how the Fairtrade benefits help promote the environmentally sustainable social and economic development of the organization, its Production Partners and the community. The development plan is based on democratic and transparent decision-making.

2.2 Economic Strengthening of the Organization

Intent

The ASMO makes a commitment to the adequate and planned use of the Fairtrade Premium, to gradually strengthen its administration and finances. It also improves its production efficiency through better processing technology, taking into account the needs of women and disadvantaged groups.

- 2.2.1 **Progress requirement**
The ASMO should take gradual steps to assume more control over the entire trading and export process.
- 2.2.2 **Progress requirement**
The ASMO will continue to develop its business-related operations and maximize the return to the members.
- 2.2.3 **Progress requirement**
Women miners and minority groups have equal access to mineral resources and technological innovation within the organization.

3. Environmental Development

Intent

Fairtrade environmental requirements are designed to progressively minimise the most significant typical risks and negative environmental impacts of ASM. These Fairtrade requirements prioritize environmental challenges for artisanal miners, which can be realistically achieved in the short or medium term, given their human and capital resources. The aim of the STANDARD is to drive ASM towards environmental responsibility and progressive environmental improvement. Furthermore the standards reflect that responsible mining is also a vision of artisanal mining without environmental contamination and with full ecological restoration. An additional Ecological Premium for the elimination of mercury and cyanide, and rehabilitation of the native ecosystem, is built in as an incentive. The Fairtrade Premium is as such not only intended as a “reward” for compliance with responsible mining practices, but also a vehicle to deliver to the miners the necessary funds to make development happen.

3.1 Management of Toxic Substances

Intent

Although elimination of the use of mercury in responsible artisanal and small-scale gold mining is an important goal, the total and immediate elimination of mercury and cyanide is not a realistic condition for Fairtrade gold. Despite the human health and environmental risks use of such chemicals presents, totally eliminating mercury and cyanide is inefficient from the perspective of mineral recovery, and if it were included as a condition, 95% of all ASM would be excluded from the development opportunity of Fairtrade. Instead the STANDARD sets out a process to support ASMOs to minimise the use of mercury and cyanide over an agreed period of time, through implementation of responsible practices and technologies to mitigate impact on the environment and human health. In addition, the STANDARD offers an Ecological Premium on top of the Fairtrade Premium, for ASMOs who eliminate mercury and cyanide altogether, using only gravimetric methods for gold recovery, and develop low impact mining in areas of high biodiversity.

3.1.1 Minimum requirement

Amalgamation should not be used if gold recovery without mercury is reasonably possible.

3.1.2 Minimum requirement

Whole ore amalgamation of gold with mercury is not allowed. A mercury-free concentration process must precede amalgamation. Concentration may be done mechanically or manually.

3.1.3 Minimum requirement

If mercury is used in mineral processing, retorts or alternative mercury recovery techniques must be used.

3.1.4 Minimum requirement

Amalgam burning never takes place in homes and kitchens and other indoor places where people may be affected.

3.1.5 Minimum requirement

Toxic and dangerous substances such as explosives, mercury and cyanide will not be kept in residential houses, but in places with adequate conditions for safe storage and inventory keeping.

3.1.6 Minimum requirement

The use of toxic and dangerous substances, such as mercury and cyanide, is under responsibility of trained adults over 18 years of age, and never pregnant or breastfeeding women, or persons diagnosed with mental deficiencies or chronic liver, kidney or respiratory diseases.

3.1.7 Minimum requirement

Instruments and tools used for any operations with mercury must not be used in any other domestic activity.

- 3.1.8 Minimum requirement
Nitric acid must not be used for dissolving amalgam.
- 3.1.9 Minimum requirement
If the ASMO uses cyanide to recover gold, cyanide solutions and tailings must be detoxified in a lined pond or tank before discharge.
- 3.1.10 Minimum requirement
Amalgamation and cyanidation tailings and solutions must not be discharged into water, or where they can reach water bodies.
- 3.1.11 Minimum requirement
Any cyanide leaching plant must be operated by personnel trained in the safe and proper use of cyanide.
- 3.1.12 Progress requirement
Amalgam burning must be done only in designated premises providing privacy and security, and with proper equipment and trained personnel.
- 3.1.13 Progress requirement
Cyanide leaching of unprocessed amalgamated tailings is not allowed. If amalgamated tailings are leached, mercury recovering gravimetric pre-processing must precede cyanidation.

3.2 Ecological restoration and ecosystem health

Intent

The aim of the following section is to protect and restore the local eco-system by using environmental friendly technologies through promotion of improved environmental management practices by miners, by complying with environmental regulation, landscape restoration, hazard prevention, management of tailings and mitigation of Acid Mine Drainage (AMD), and water pollution prevention.

Indicators of a positive track record in protected areas (such as not hunting bush-meat, reporting of archaeological artefacts, etc.) are specified in the compliance criteria.

- 3.2.1 Minimum requirement
All mining operations and processing plants comply with national environmental laws.
- 3.2.2 Minimum requirement
If the mining operation is located within a legally designated protected area or archaeological heritage area, authorization is required from the relevant authority stating that the mining activities are legal and compatible with the conservation and management objectives of the protected area. Operating in protected areas is exceptional. An organization applying for Fairtrade certification must have an environmental mitigation plan and must have operated under the monitoring and legal permit of local authorities for more than 10 years.
- 3.2.3 Minimum requirement
In the case of open-pit mines, inclination of slopes and height of benches must not exceed limits generally considered safe for that type of soil or rock.
- 3.2.4 Minimum requirement
Fuel residues and their containers must not be dumped in water bodies.
- 3.2.5 Minimum requirement
The introduction of any technological change should be accompanied by an environmental mitigation plan.

- 3.2.6 Progress requirement
Open pits and underground mine apertures created by the ASMO must be refilled or blocked sufficiently after the termination of extractive activities to enable ecological regeneration and ensure hazard prevention.
- 3.2.7 Progress requirement
Where mining could lead to acid mine drainage (AMD), the organization shall employ effective methods to isolate acid forming materials from water.
- 3.2.8 Progress requirement
Tailings and contaminated water must not be discharged into water bodies or where they can reach water bodies.
- 3.2.9 Progress requirement
The ASMO implements Good Waste Management practices: Disposal of tailings, waste water and chemical waste must be properly planned and carried out by experienced persons. Waste management is based on identified risks and planned within set timelines, measures and action points, to be documented by the organization.
- 3.2.10 Progress requirement
Intervened areas must be rehabilitated and re-vegetated.

3.3 Ecological Gold and Platinum

Intent

An additional premium will be recognised for gold and associated platinum produced under stringent environmental practices which include forest restoration in areas of high biodiversity and ecological restoration in any ecosystem. Only gravimetric methods are accepted, with no mercury or cyanide.

Procedures, roles and responsibilities for handling the Ecological Premium are similar to handling the Fairtrade Premium and are set out in more detail in a separate Explanatory Document. The Ecological Premium may also compensate for economic losses due to lower gold recovery of the applied mercury-free and cyanide-free processing techniques, as well as less intensive mining activity.

- 3.3.1 Minimum requirement
No mercury or cyanide may be used for mineral processing; only gravimetric methods are used.
- 3.3.2 Minimum requirement
Ecological disruption due to mining is minimised through an environmental management plan that ensures that the local ecosystem is not placed beyond capacity to recover.
- 3.3.3 Minimum requirement
Rehabilitation of the native ecosystem takes place from the outset of new operations.

4. Standards for Labour Conditions

Intent

The below criteria are based on the concept of decent labour launched by the International Labour Organization (ILO) as a global objective. This concept is being increasingly accepted by many nations as one of the main political and socio-economic objectives to address poverty and strengthen democratic governance.

It involves “opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”. The concept of decent work can be summarised in four basic objectives: rights at work, employment, social protection and social dialogue.

Building upon that concept and adapting it to the general characteristics of ASM, ARM and FLO have established a series of criteria that must be complied with by all ASMOs and PPs and for all types of employment used. The STANDARD requires the fulfilment of the Chapter on labour conditions according to the following five principles:

1. All labour requirements are applicable to all workers and employees employed directly by the ASMO (administration, processing plant or in mineral extraction) before certification.
2. All Health and Safety requirements apply principally to all registered miners (ASMO members, self-employed miners of the Production Partners (PP) and workers). The ASMO is responsible for compliance except where a Small-Scale Mining Organization (SSMO) assumes the entire responsibility for compliance.
3. If ASMO members or Production Partners employ an amount of workers that can be legally unionized, then also all labour requirements regarding Freedom of Association, Collective bargaining and Conditions of employment apply and the ASMO is responsible.
4. All labour conditions apply for SSMOs that apply for Fairtrade certification.
5. If a PP is not a legal company but has more than 50 workers, all labour conditions apply, for which then the ASMO is responsible.

4.1 Employment Policy

Applicable to registered miners (self-employed and/or workers)

Intent

The Employment Policy is the tool for the ASMO to share Fairtrade benefits with workers.

Explanatory notes

The ASMO starts developing an employment policy by carrying out an assessment on how to improve the working conditions of all workers and employees employed directly by the ASMO or employed by the registered miners. The assessment should identify the priority needs of workers from the STANDARD sections 4:

- *Freedom of Labour*
- *Freedom from Discrimination*
- *Elimination of Child labour*
- *Conditions of Employment*
- *Health and Safety Conditions in the Workplace*
- *Social Protection*

The ASMO may also identify additional areas for improvement.

The implementation of the employment policy could include:

- *The development of awareness-raising tools to support the improvement of working conditions, such as the development of leaflets or visual guides on health and safety issues, or the organization of training workshops for members and workers on*

workers' issues.

- *Taking workers' needs into account when developing Fairtrade Premium projects.*
- *More advanced organizations can develop and implement internal rules for their members on working conditions.*

4.1.1 Progress requirement

Within three years of certification the ASMO has developed an employment policy as part of its development plan.

4.2 Freedom of Labour

Applicable to registered miners (self-employed and/or workers)

Intent

Fairtrade follows ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour) regarding forced labour. Forced or bonded labour must not take place. This can take the form of worker debt schemes involving the miner, his organization or intermediaries, by retaining of due payment, of identity documents or other personal effects of value, or under threat.

4.2.1 Minimum requirement

Forced labour, including bonded or involuntary prison labour, must not occur.

4.2.2 Minimum requirement

Employment of a worker is not conditioned by employment of their spouse. Spouses have the right to work elsewhere.

4.3 Freedom from Discrimination

Applicable to registered miners (self-employed and/or workers)

Intent

Fairtrade follows ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination – Employment and Occupation) against worker discrimination. It rejects “any distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national ascendancy or social origin that alters equal opportunity or treatment in employment and occupation”(Art. 1).

The spirit of this requirement seeks to protect people who are vulnerable due to their physical, cultural, social or economic characteristics, especially women miners; also disabled or ill persons, HIV-AIDS orphans, or persons displaced by conflict or ex-combatants seeking a new beginning.

Women miners organizations, indigenous miners organizations or similar organizations where a common characteristic determines common development goals are not considered discriminative.

4.3.1 Minimum requirement

The ASMO ensures that there is no discrimination on the basis of race, colour, gender, sexual orientation, disability, marital status, age, religion, political opinion, membership of unions or other workers' representative bodies, national extraction or social origin in recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities unless this is consistent with the ASMO's goals and objectives.

4.3.2 Minimum requirement

The ASMO does not engage in, support or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse.

- 4.3.3 **Minimum requirement**
The ASMO does not engage in, support or tolerate behaviour, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.
- 4.3.4 **Progress requirement**
The ASMO will provide the same opportunities to men, women, and disadvantaged individuals regardless of their provenance or origin in all areas of mining activity, as a worker, member or entrepreneur, through the recognition of their specific capabilities and needs.
- 4.3.5 **Progress requirement**
The ASMO provides support to pregnant and breast-feeding women (women miners, women mineral selectors, or contracted women miners), so that they can pass to lighter, non dangerous work, access health services, have access to childcare facilities where they can breastfeed their infants and receive benefits of social security where applicable

4.4 Elimination of Child Labour

Applicable to registered miners (self-employed and/or workers)

Intent

Fairtrade follows ILO Conventions 138 (Minimum Age) and 182 (Worst Forms of Child Labour) regarding minimum age for employment and elimination of the so called Worst Forms of Child Labour. In many cases national laws have determined ages above 15 as minimum employment age in mining, and prohibition of youths under 18 to do underground or dangerous work.

- 4.4.1 **Minimum requirement**
Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older.
- 4.4.2 **Minimum requirement**
Persons under 18 years of age shall not be employed for any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardise their health, safety or morals.
- 4.4.3 **Minimum requirement**
Persons under 18 years who participate in mining through family work shall not execute tasks that are especially dangerous for them, such as subsoil and underwater activities, heavy loads, the use of toxic substances and night time shifts, extended shifts, or shifts prior to school schedule.
- 4.4.4 **Minimum requirement**
Work does not jeopardize schooling or the social, moral or physical development of the young person.
- 4.4.5 **Progress requirement**
The progressive elimination of all forms of child work or labour in ASM will be part of the vision and forms part of the development plans of the ASMO.
- 4.4.6 **Progress requirement**
The ASMO undertakes actions to help adolescents who need to work to have access to technical training and employment opportunities that do not represent a danger for their health, safety and schooling.

4.5 Freedom of Association & Collective Bargaining

Applicable to workers

Intent

There tend to be more contracted workers, as opposed to self-employed workers in ASM as the level of mechanization of an ASMO increases. A typical ASM operation may have a combination of family production units, self-employed workgroups, and workers.

The STANDARD follows ILO Conventions 87 (Freedom of Association and Protection of the Right to Organise) and 98 (Right to Organise and Collective Bargaining) regarding trade union freedom and collective negotiation. Workers and employees should have the right to establish trade unions in organizations and participate in their election, and to formulate their statutes, to elect their representatives and to formulate their programs. Workers should have adequate protection against any act of discrimination aimed at diminishing trade union freedom in relation with their employment.

National law often specifies the number of workers over which unionizing is legally permitted. If an ASMO, PP or SSMO employs at least the amount of workers needed to be legally unionized then chapter 4.5 of the STANDARD applies.

Members (shareholder) of the ASMO which are “self-hired” by the ASMO are not considered for head count, but if a significant number of hired workers exists then Chapter 4.5 also applies to “self-hired” members.

4.5.1 Minimum requirement

Any employer (ASMO, PP or SSMO, if different and applicable) recognises in writing and in practice the right of all workers to establish and to join workers’ organizations of their own choosing and to collectively negotiate their working conditions.

4.5.2 Minimum requirement

Any employer (ASMO, PP or SSMO) allows trade union organisers to meet all the workers, and allows workers to hold meetings and organise themselves without the interference of the management.

4.5.3 Minimum requirement

Any employer (ASMO, PP or SSMO) ensures that neither workers nor their representatives are discriminated against or suffer other repercussions because of freely exercising their right to organise or because of their decision whether or not to join a workers’ organization and/or participate in its legal activities.

4.5.4 Progress requirement

If no active and recognised union is able to work in the area, the ASMO, PP or SSMO (where applicable) encourages the workers to democratically elect a workers’ committee which represents them and which negotiates with the employer to defend their rights and interests.

4.5.5 Progress requirement

If no union is present in the area, the employer (ASMO, PP or SSMO) and the workers’ committee gets into a process of consultation with the national union federation(s) and the International Chemical, Energy and Miners Union (ICEM) about improvement of the workers’ representation and implementing a Collective Bargaining Agreement (CBA).

4.5.6 Progress requirement

The representation and participation of the workers is improved through training activities for workers. Any employer (ASMO, PP or SSMO, where applicable) provides adequate resources for this to take place.

4.6 Conditions of employment

Applicable to workers

Intent

In ASM the importance of contracted workers increases as processes evolve towards greater formalisation and mechanization. A typical ASM operation may have a combination of family production units, self-employed workgroups, contracted workers, and migrant workers.

The STANDARD follows ILO Conventions 100 (Equal Remuneration) and ILO Convention 110 (Conditions of employment of workers).

If an ASMO, PP or SSMO employs at least the amount of workers needed to be legally unionized then chapter 4.6 of the STANDARD applies.

Members (shareholder) of the ASMO which are “self-hired” by the ASMO are not considered for head count, but if a significant number of hired workers exists then Chapter 4.6 also applies to “self-hired” members.

4.6.1 Minimum requirement

Conditions of employment and in particular salaries are equal to or exceed sector Collective Bargaining Agreement (CBA) regulations where they exist, regional average wages or official minimum wages for similar occupations, whichever is higher. Any employer (ASMO, PP, SSMO) shall specify wages for all functions.

4.6.2 Minimum requirement

Payment is made regularly and in a timely manner, in legal tender and is properly documented.

4.6.3 Progress requirement

Other relevant conditions of employment like maternity leave, social security provisions and non-monetary benefits are at least equal to national law, the sector CBA regulations where they exist or the Agreement signed between the workers' organization and the employer, whichever is higher.

4.6.4 Progress requirement

All permanent workers must have a legally binding written contract of employment.

4.6.5 Progress requirement

An adequate regulation on sick leave is put in place.

4.6.6 Progress requirement

A working hours and overtime regulation is put in place. Overtime is voluntary and compensated at a premium rate.

4.6.7 Progress requirement

Salaries are gradually increased to levels above the regional average and official minimum.

4.6.8 Progress requirement

Where possible all regular work that requires hired labour is undertaken by permanent workers.

4.6.9 Progress requirement

Local and migrant, seasonal and permanent workers receive equivalent benefits and employment conditions for equal work performed.

4.7 Health and Safety Conditions in the Workplace

Applicable to registered miners (self-employed and/or workers)

Intent

The STANDARD adheres to ILO convention 155 (Occupational Health and Safety). The STANDARD aims to prevent accidents and health impacts resulting from work, is related to working, or emerges while working, reducing to the minimum, in a reasonable and feasible way. The causes are related to the working environment.

The STANDARD also follows ILO Convention 176 (Safety and Health in Mines) that establishes requirements for minimum security for all mining operations, and expects miners to comply as much as possible.

Health and safety conditions apply for all miners under the umbrella of the ASMO (members and Production Partners, self-employed miners, workers) where applicable. The responsibilities are defined as described above. The Health and Safety Equipment for hard rock mining is also subject to the registration process of the ASMO (see under 0.4 definitions).

4.7.1 Minimum requirement

Work processes, workplaces, machinery and equipment on the production site are as safe as reasonably practicable. The certification body may require that a competent authority or independent inspection agency carry out an inspection.

4.7.2 Minimum requirement

The ASMO has a committee in charge of taking decisions and implementing actions in health and safety in the workplace.

4.7.3 Minimum requirement

The ASMO will ensure that all registered miners working in the mining area of the ASMO have access to information and basic training on health and safety in mining, its main risks and hazards, and how to prevent, prepare for and respond to emergencies.

4.7.4 Minimum requirement

The ASMO ensures that all registered miners use basic equipment for personal protection, in accordance with the nature of the mine, the work to be done and the place.

4.7.5 Minimum requirement

The ASMO has a clear and defined policy and process to deal with gender-based violence, and will educate its registered miners about sexual harassment at work.

4.7.6 Progress requirement

The ASMO will work with local authorities or other relevant parties towards making a gender-based diagnosis of the main risks and vulnerabilities to accidents and to disasters in the community because of mining activity.

4.7.7 Minimum requirement

The ASMO is in charge of designing and implementing a mining rescue plan and first aid program depending on the kind of mining activity it develops.

4.7.8 Progress requirement

All persons working in the mining operations undergo voluntarily regular medical checks and records must be established within one year of certification.

4.7.9 Progress requirement

Workplace dangers have been identified and are managed and monitored.

4.7.10 Progress requirement

The ASMO will work towards increasing community and miners' awareness of the risks of mining through education and communications.

4.8 Social Protection

Applicable to registered miners (self-employed and/or workers)

Intent

Most ASMOs do not have health or other insurance, or pension provisions. However, many miners' organizations do have informal health systems, either through some kind of solidarity fund or through purchased group liability insurance. The spirit of this requirement is to ensure that men and women miners have health and pension protection.

Measures for Social Protection apply to all registered miners (members of the ASMO, miners of the PPs, self-employed miners and workers) working in the mining area of the ASMO. The ASMO is responsible for including all registered miners in a social safety net.

4.8.1 Minimum requirement

In the absence of social security protection systems, the miners affected by accidents, occupational disease, or disaster receive solidarity help from the ASMO through economic support collected among the miners and the community.

4.8.2 Minimum requirement

The ASMO will recognise to the widow/widower of a deceased registered miner, the rights and obligations held by the deceased in the mine and in the organization, in accordance with the deceased's capabilities and experience, with the object of preventing the widow/widower's abandonment and that of her/his family.

4.8.3 Progress requirement

The ASMO will make efforts to ensure that all registered miners benefit from a social security scheme covering health and pension.

4.8.4 Progress requirement

In the event of the death of a worker, reparation should be given by the ASMO or the employer (where applicable) to the widow/widower and heirs, if there were any.

5. Supplement for Small-Scale Mining Organizations (SSMO)

The following requirements under Chapter 1 apply for SSMOs also: 1.1.5 (gold from registered miners only); 1.2.1 (taxes and royalties); 1.2.2 (agreement of local authorities); 1.2.3 (no support for armed conflicts); 1.2.4 (active role in promoting development). The terms used in these chapters for "ASMO" or "organization" should be substituted by "SSMO" or "company".

The requirements under Chapter 2, 3 and 4 of the STANDARD, apply for SSMO. The terms used in these chapters for "ASMO" and "organization" are to be substituted by "SSMO" or "company".

Intent

A Small-Scale Mining Organization (SSMO) is a shareholder organization undertaking artisanal and small-scale mining activities and being structurally dependent on hired labour. Within the scope of this STANDARD the shareholder(s) of the SSMO are members or Production Partners of an ASMO. The following requirements in the SSMO Supplement apply additionally to the STANDARD. The purpose of these requirements is to formalize workers' Fairtrade benefits. The supplement is streamlined against the Fairtrade Standards for Hired Labour regarding Premium use. Management of the Fairtrade Premium is done through the Joint Body including workers and management (see Fairtrade Explanatory Document on Joint Bodies).

An SSMO must be legally registered as a company. SSMOs have to apply for Fairtrade certification independently and comply with the supplement under Chapter 5.

An SSMO that applies for Fairtrade certification may operate in the mining area of an ASMO and be a Production Partner under the organizational roof of an ASMO or may own its own mining area and be a member of an ASMO. The SSMO must have the right to trade independently, granted either by the ASMO or based on the ownership of the mining rights over its own mining area.

Workers refer to all types of contracted labour (permanent, temporary, seasonal). The amount of workers counts for the fiscal year of application. An SSMO with more than 50 workers must apply for Fairtrade Certification on its own. An SSMO with less than 50 workers may also apply for Fairtrade Certification on request.

5.1 Development and Capacity Building

This chapter applies to SSMOs instead of chapter 1 of the STANDARD, except to requirements 1.1.5, 1.2.1, 1.2.2, 1.2.3 and 1.2.4 which also apply.

5.1.1 Minimum requirement

The SSMO has a Fairtrade program that addresses the social and economic development of its workers.

5.1.2 Minimum requirement

Senior management holds overall accountability for the implementation of these standards. Management appoints a person responsible for Fairtrade matters (Fairtrade Officer) who reports to the Executive Manager. He/she is responsible for the overall co-ordination of the Fairtrade program in the SSMO and for ensuring all necessary communications.

5.1.3 Minimum requirement

The SSMO must demonstrate that any Fairtrade revenues will promote the social and economic development of the workers.

5.1.4 Minimum requirement

The SSMO has taken all possible measures to inform all levels of its organization about Fairtrade.

5.1.5 Minimum requirement

The employer has taken all reasonable measures to inform all levels of the SSMO on the different functions, duties and positions of the 'Joint Body' (JB) and workers' organizations.

5.1.6 Minimum requirement

Management allocates time during regular working hours and provides other resources that are necessary for, or conducive to, the successful implementation of the Fairtrade program.

5.1.7 Minimum requirement

The SSMO has access to adequate administration and communication equipment and to all necessary logistical systems.

5.1.8 Progress requirement

Within one year of certification the SSMO has adopted an annual work plan for social improvement, taking the progress requirements as reference.

5.1.9 Progress requirement

Within one year of certification, management ensures access to primary education for the children of all permanent resident workers. Management should also pay special attention to the education of workers' children in general.

- 5.1.10 Progress requirement
Within one year of certification, all levels of the SSMO are aware of Fairtrade matters. To this purpose, the management ensures that adequate independent training has been provided to all levels. The management also encourages and supports training for all workers and their representatives in order to increase their capacity to participate in and take responsibility for the implementation of Fairtrade.
- 5.1.11 Progress requirement
An effective and appropriate quality management system is in place within a year of certification.
- 5.1.12 Progress requirement
The SSMO has an appropriate human resources management system that is charged with implementing good industrial relations, training programs and the development of its employees.
- 5.1.13 Progress requirement
Appropriate measures are being taken to ensure equal opportunities of women in the SSMO.

5.2 Economic Development

The following requirements are in addition to the STANDARD. The intent of chapter 5.2 is to formalize the use of the Fairtrade Premium that must be shared with workers.

- 5.2.1 Minimum requirement
A Joint Body (JB), with representatives of the management and representatives of the workers, has been created, with the purpose of deciding how to use the Fairtrade Premium.
- 5.2.2 Minimum requirement
A legal body is established before any assets are acquired using the Fairtrade Premium. This body comprises and represents all employees of the SSMO as the owner of any property acquired with the Fairtrade Premium.
- 5.2.3 Minimum requirement
All groups of workers are able to participate in the election of the Joint Body and all can be nominated for election to the Joint Body. The composition of the Joint Body should reflect the composition of the workforce.
- 5.2.4 Minimum requirement
The workers' representatives are chosen through a democratic process that is properly documented. The management representatives are appointed by management.
- 5.2.5 Minimum requirement
Management participates actively and responsibly in the Joint Body through its representatives and assists and supports the workers in the management of the Fairtrade Premium.
- 5.2.6 Minimum requirement
All expenditure of the Fairtrade Premium and related issues are decided exclusively by the Joint Body, after consultation with the workers and in accordance with the guidelines for Fairtrade Premium use.
- 5.2.7 Minimum requirement
The Joint Body, including the management representatives, is accountable to the workers and certification body for the administration and use of the Fairtrade Premium.
- 5.2.8 Minimum requirement
The Joint Body, in consultation with the workers, prepares a yearly Fairtrade Premium work plan that takes into account the needs of all the various groups of workers.

- 5.2.9 Minimum requirement
All requests/suggestions for Fairtrade Premium use are documented. Decisions by the Joint Body are also recorded.
- 5.2.10 Minimum requirement
The Joint Body should strive to reach decisions by consensus. Failing this, no decision can be approved if the majority of the workers' representatives do not consent. Management and workers' representatives have equal voting rights.
- 5.2.11 Minimum requirement
The Joint Body meets regularly and during working hours.
- 5.2.12 Minimum requirement
The Fairtrade Premium may not be used to cover the running costs of the SSMO or the costs of compliance with the minimum requirements of this STANDARD or associated product-specific standards unless stated differently.
- 5.2.13 Minimum requirement
Information about the Fairtrade Premium amount is reported to all Joint Body members.
- 5.2.14 Minimum requirement
A separate Fairtrade Premium account is established and worker representatives from the Joint Body, together with management are joint signatories.
- 5.2.15 Minimum requirement
The certification body, Joint Body members and, if it exists, the internal audit committee have the right to check the relevant books of the Fairtrade Premium account.
- 5.2.16 Minimum requirement
Regular capacity building for workers' representatives on the Joint Body is undertaken in order to ensure that they can carry out their functions. Management allows and supports this training to take place, partly during work time.
- 5.2.17 Progress requirement
Within one year of certification the internally approved Joint Body rules and regulations are in place.
- 5.2.18 Progress requirement
Within two years of certification, the Joint Body makes use of the tools contained in the latest version of the Fairtrade Explanatory Document on Joint Bodies in its preparation of the Fairtrade Premium work plan.
- 5.2.19 Progress requirement
The Joint Body has access to communication tools that enable Joint Body members to communicate both internally and externally.

SECTION B: Standards for trading and processing

For Small-Scale Mining Organizations (SSMOs) the terms “Artisanal Small-scale Mining Organization (ASMO)” and “Miners’ organization” are to be substituted by “SSMO” or “company” within this Section B (see also Section A, chapter 5).

1. Product Description

1.1 General Product Description

The product is gold in metallic form that has been mined by certified ASMOs (see Section A, item 0.5 Definitions) and is processed and traded according to the STANDARD.

Platinum and silver from the certified gold mining operations, are also certified as Fairtrade and Fairmined precious metals.

See Definitions in Section A.

As the ASMO is the certified producer with a trade function, the ASMO represents the entire “Miners’ organization” and is on the producer side responsible for compliance with Section B of the STANDARD.

1.2 Specific Product Description Fairtrade and Fairmined Gold

FAIRTRADE and FAIRMINED Gold refers to the pure chemical element “gold” (Au) contained in the mineral or in form of different alloys and different purity in metals.

FAIRTRADE and FAIRMINED Ecological Gold refers to Fairtrade and Fairmined gold that has been produced by the Miner’s organization in compliance with the requirements for Ecological Gold.

Whenever this STANDARD mentions the product “Fairtrade gold” or “Fairtrade and Fairmined gold”, this refers to FAIRTRADE and FAIRMINED gold or FAIRTRADE and FAIRMINED Ecological Gold according to the context.

All gold-bearing mineral is characterized by its grade (usually expressed as grams or troy ounces per ton or cubic meter), and all alloys are characterized by their fineness (usually expressed in parts of 1000 or as caratage in parts of 24).

As 100% pure gold is technically/economically not feasible, the globally accepted purity standard of the London Bullion Market Exchange (LBMA) is used in practice. According to the LBMA Standard the minimum acceptable fineness is 995.0 parts per thousand fine gold, with fineness determined to four significant digits.

1.3 Specific Product Description Fairtrade and Fairmined Silver and Platinum

FAIRTRADE and FAIRMINED silver refers to the pure chemical element “silver” (Ag) contained in the mineral or in form of different alloys and different purity in metals.

FAIRTRADE and FAIRMINED platinum refers to the pure chemical element “platinum” (Pt) contained in the mineral or in form of different alloys and different purity in metals.

FAIRTRADE and FAIRMINED Ecological silver and FAIRTRADE and FAIRMINED Ecological Platinum refer to silver and platinum that has been produced by the Miner’s organization in compliance with the requirements for Ecological Gold.

Whenever this STANDARD refers to the product “Fairtrade gold” or “Fairtrade and Fairmined gold”, this includes FAIRTRADE and FAIRMINED silver as well as FAIRTRADE and FAIRMINED platinum.

As 100% pure silver and platinum are technically/economically not feasible, the globally accepted purity standards of the London Bullion Market Exchange (LBMA) and of the London Platinum and Palladium Market (LPPM), respectively, are used in practice. According to these standards the minimum acceptable fineness is for silver 999.0 and for platinum 999.5 parts per thousand, with fineness determined to four significant digits.

Wherever this STANDARD refers to “gold” this includes other precious metals like silver and platinum when found and produced as by-products alongside the certified gold, and should therefore be interpreted as “gold and associated silver and platinum” unless otherwise indicated by referring to “gold (Au)”, “silver (Ag)” and “platinum (Pt)”.

2. Scope

Section B of the STANDARD sets Fairtrade Minimum Prices and Premiums, the rules of trading, processing of mineral, tradable intermediate products including any form of enrichment, refining, blending (creation of alloys), and manufacturing.

Section B applies to ASMOs, and to all involved downstream operators, down to the point of sale where the final consumer product is sold to the consumer.

Intermediate products such as gold impregnated activated carbon from leaching or “doré” alloys (very low fineness gold bars) are in some countries tradable products. The processing of these intermediate products, and in some cases also some further enrichment (refining), are often undertaken by the Miners’ organization in order to add value to their product. In other cases these processes are carried out by downstream operators buying from the miners.

As the Fairtrade product is the gold used as a component for manufacturing the final consumer products, this STANDARD does not cover manufacturing in detail; instead the STANDARD outlines composite rules and requires all involved operators to be certified Fairtrade operators.

3. Buying from Certified Producers

Intent

Miners’ organizations who wish to become Fairtrade producers have to make significant efforts to achieve the minimum standards for certification. Once certified, the Artisanal and Small-scale Mining Organization is responsible for administering the Fairtrade Premium and to assure that only gold produced by their members and Production Partners is sold as Fairtrade and Fairmined gold. Selling through the organization also allows the organization and therefore the miners to obtain a fair price for their gold, based on correct determination of weight and quality. Therefore the system has to ensure that nobody takes advantage of the efforts of others for personal gain, to eliminate middlemen, and maintain a fully traceable internal chain of custody with one single point of sale.

3.1.1 Minimum requirement

All operators will be subject to inspection and certification to assess compliance with this standard.

3.1.2 Minimum requirement

All operators must designate one official contact for Fairtrade-related matters.

3.1.3 Minimum requirement

All Fairtrade precious metals must have been produced by certified Artisanal Small-scale Mining Organizations (ASMO) at their certified mines.

3.1.4 Minimum requirement

Traders or buyers cannot buy directly from individual miners or Production Partners but must go through their certified organization (ASMO).

4. Pricing and Premium

Intent

Pricing: The cost of extracting one ton of mineral is not related to its gold content. Costs to extract one ton of mineral (that contains enough gold in it to be economically mined) and costs to extract one ton of waste rock (with not enough gold in it) are the same. By adjusting the cut-off grade, price fluctuations do not directly affect the miner's revenues and income, but the mineable reserves of the mineral deposit. Consequently determining a cost of sustainable production (COSP) is not feasible, and the Fairtrade Minimum Price (FTMP) is set differently to agricultural products. The FTMP is set based on the London Bullion Market Association (LBMA) fixing for gold. Furthermore, in the very competitive, demand driven gold market, ASMOs will inherently only sell to Fairtrade buyers if the price offered is better than that offered by non-Fairtrade buyers. This applies also to the internal supply chain of the Miners' organization: members and Production Partners will only sell their gold through the organization, if the organization offers a better price than local gold shops.

Premium: FAIRTRADE and FAIRMINED gold complies with ARM's Vision for Responsible Mining and is aimed at promoting sustainable development in artisanal mining communities. The Fairtrade Premium is as such not only intended as a "reward" for compliance with responsible mining practices, but also as a vehicle to deliver to the miners the necessary funds to make development happen. Responsible mining is also a vision of artisanal mining without environmental contamination and with full ecological restoration. For this purpose Section B of the STANDARD considers additional requirements for "Ecological Gold". The production of Ecological Gold is to some extent comparable to "organic" agricultural products, but as gold is an inorganic element of the earth's crust, this term cannot be applied. According to the exceptional character of Ecological Gold this gold deserves to be treated in a special way throughout the entire chain of custody down to the final customer. Ecological Gold is not only certified to have been produced by artisanal small-scale miners but is certified as provenance gold originating from a certain artisanal small-scale mining area. As the production of Ecological Gold requires additional voluntary efforts from the Miners' organization, these efforts are compensated by an additional Ecological Premium.

4.1.1 Minimum requirement

The price shall be based on the LBMA fixing for gold (London Bullion Market Association) and be at least 95% of the LBMA fix for the pure content, FOB export point.

4.1.2 Minimum requirement

Price payments are made in whole to the ASMO that sells the gold to the buyer. The ASMO is responsible for transferring the payment to whom it belongs.

4.1.3 Minimum requirement

If the ASMO has no trade function or export permit, the ASMO contracts a certified third party operator (which can be a local trader) to implement and administrate all corresponding trade, export and traceability related requirements on the ASMO's behalf and under the ASMO's responsibility.

4.1.4 Minimum requirement

In addition to the price, buyers shall pay a Fairtrade Premium of 10%, calculated as a percentage of the applicable LBMA fixing.

- 4.1.5 **Minimum requirement**
In addition to the price buyers shall pay an extra Ecological Premium of 5%, calculated as an additional percentage of the applicable LBMA fixing on top of the Fairtrade Premium, if gold carries such label.
- 4.1.6 **Minimum requirement**
If the ASMO has no trade function or export permit, the contracted trader or exporter (see 4.1.3) acts as pro-bono intermediary for Premium payments.
- 4.1.7 **Minimum requirement**
Premium payments (Fairtrade and Ecological Premium where applicable) are made in whole to the ASMO that sells the gold to the buyer. The ASMO is responsible for transferring the corresponding share of the Premium to PPOs if applicable.
- 4.1.8 **Minimum requirement**
Transportation and insurance costs from point of export shall be charged to the importer (buyer), unless the ASMO and the importer choose to agree on other arrangements that are not detrimental to the ASMO.

5. Trading Relationships and Contracts

Intent

Trading in gold is a matter of trust. Long term relationships between producers and buyers under clear rules and openly exchanged sourcing plans and production plans allow building these mutual trust relations and enable the ASMO to become involved in long term improvements of their operations.

Contracts between the ASMO and buyers set the framework for Fairtrade trade operations. It is important that the contractual obligations are mutually agreed, well documented, and clearly understood by the contracting parties.

- 5.1.1 **Minimum requirement**
The buyer shall provide his/her Fairtrade business partners and ARM with an indicative Annual Sourcing Plan specifying the volumes of Fairtrade gold expected to be bought from every ASMO.
- 5.1.2 **Minimum requirement**
The ASMO shall provide its Fairtrade business partners and ARM with its indicative Annual Production Plan of Fairtrade gold.
- 5.1.3 **Minimum requirement**
There exist clear written agreements for all Fairtrade transactions with all involved parties on all levels of mining, processing and trading.
- 5.1.4 **Minimum requirement**
All involved parties undersign the respective agreements that guarantee the required transparency for all Fairtrade transactions.
- 5.1.5 **Minimum requirement**
The ASMO and the buyer will draw up a contract. The contract must include at least the following elements:
- minimum and maximum volumes,
 - quality specifications,
 - price and payment conditions,
 - delivery conditions.
- Both parties ensure that the price is based on the AM or PM LBMA Fixing time and date.

- 5.1.6 **Minimum requirement**
The ASMO and the buyer will define the gold content determination and arbitration procedures in the purchase contract, in line with existing practice in the sector.
- 5.1.7 **Minimum requirement**
Shipment Orders must specify the quantity and purity of metal per shipment.
- 5.1.8 **Minimum requirement**
Where notice of an ASMO or buyer's suspension is made, signed contracts made before the date of such notice will only be recognised as representing certified products for a maximum period of six months.
- 5.1.9 **Minimum requirement**
Operators may not purchase products from, or sell products to, decertified operators for sale as certified products, from the date of decertification. All contracts that have been delivered to the buyer shall be accepted. Contracts that have not yet been delivered shall not be classified as Fairtrade contracts.
- 5.1.10 **Minimum requirement**
Buyers must not offer to buy certified products from a producer on the condition that the producer sells a quantity of non-certified product under terms that are distinctly disadvantageous to the producer.

6. Pre-Finance

Intent

The lack of ready cash is often an impediment for miners' organizations to ensure it can extend its chain of custody to all the certified gold that its members and Production Partners produce. In consequence, gold that could be sold as Fairtrade gold can end up being sold to the usual local markets (gold shops) because the miner needs to sell daily. In addition, local traders often play the role of financing the miners and lending money for equipment, supplies or even family emergencies. Therefore, pre-finance can play a key role in ensuring that the miner's organization can gain a level of autonomy and break away from a form of historic dependence or "economic slavery".

- 6.1.1 **Minimum requirement**
For new trading relationships, a trial period may be agreed between buyers and the ASMO. This trial period must not exceed four consignments.
- 6.1.2 **Minimum requirement**
During the trial period, buyers are encouraged but not obliged to provide pre-financing to the ASMO for each consignment.
- 6.1.3 **Minimum requirement**
The ASMO must have a transparent mechanism for the management of pre-financing funds.
- 6.1.4 **Minimum requirement**
The cost of pre-financing must not exceed the bank lending rate for such business in the buyers' home country, plus credit insurance costs, plus administrative cost of 1 % p.a.
- 6.1.5 **Minimum requirement**
The ASMO and the buyer will document either a separate pre-finance section within the contract or a separate credit agreement when pre-finance has been agreed on.
- 6.1.6 **Minimum requirement**
Local and National Legislation requirements take priority where they conflict with requirements on pre-finance.

- 6.1.7 **Minimum requirement**
Upon a filed “failed delivery report” filed by a buyer a new trial period may be agreed which must not exceed four consignments between the buyer and the ASMO.
- 6.1.8 **Minimum requirement**
After a successful trial period and on request of the ASMO, buyers must provide pre-financing to the ASMO for each consignment.
The ASMO qualifies for requesting pre-financing if its track-record demonstrates that it has honoured all written Fairtrade contracts.
- 6.1.9 **Minimum requirement**
Requests for pre-financing should not exceed 60% of the value of each consignment. Buyers must provide (after a successful trial period) at least 40% of pre-finance of the value of each consignment, unless the requested amount is lower.
- 6.1.10 **Minimum requirement**
Requests for pre-financing by the ASMO have to specify the intended use of the funds. Pre-financing can only be requested for purposes in-line with the contractual obligations of the ASMO.

7. Traceability

Intent

Traceability requirements are to protect operators and consumers. The objective is to ensure the authenticity of Fairtrade and Fairmined gold can be verified, so that operators only sell Fairtrade products that are purchased as such. The objective is to trace the gold back to the producer by check of documentation, as well as ensuring that the product is also physically separate and identifiable from non-Fairtrade products.

For Fairtrade gold physical traceability has to be assured as long as the associated costs do not exceed proportionally the benefits for ASMO through the Premium. Indicators for traceability costs and procedures for documentation of disproportional costs are set out in more detail in a separate Explanatory Document. Physical and/or documental traceability requirements assure the customer that this exact quantity of Fairtrade gold was mined according to this STANDARD by one or more artisanal and small-scale mining organizations, and that the purchase of the consumer product provides immediate benefits to this/these certified organization(s).

For Fairtrade Ecological Gold, which is a very exceptional product that deserves handling with special care, physical traceability requirements guarantee to the customer that the entire gold in the final product has been produced as provenance gold by certain miners’ organization(s), and that the purchase of the consumer product provides immediate and exclusive benefits to this/these certified organization(s).

7.1 Traceability within the miners’ organization

- 7.1.1 **Minimum requirement**
The entire volume of Fairtrade gold produced by the ASMO and processed in the ASMO’s own processing plant(s) is physically traceable.
The ASMO has implemented an Internal Control System (ICS) that proves the ore’s origin.
- 7.1.2 **Minimum requirement**
If the ASMO or its PPs lease or hire third party owned equipment for mineral processing, complete physical traceability of the gold must be ensured.

- 7.1.3 **Minimum requirement**
Joining, blending and consolidating of two or more certified volumes of mineral or intermediate products from two or more certified ASMOs for the purpose of joint processing is allowed.
- 7.1.4 **Minimum requirement**
If the ASMO or its PPs needs to contract third party operators to process their mineral or to perform further enrichment of intermediary products, best available efforts towards full compliance to physical traceability requirements are made.
Where full compliance to physical traceability requirements imposes disproportional costs, ASMOs and operators are exempt from physical traceability requirements. Subcontracted service providers (such as processors) are subject of physical audits for which the ASMO has the responsibility.
- 7.1.5 **Minimum requirement**
ASMOs which are certified for Ecological Gold have to assure full compliance to physical traceability requirements.
- 7.1.6 **Minimum requirement**
Traceability through documentation must be assured for the entire volume of Fairtrade gold produced by the ASMO at all times.

7.2 Traceability of gold during trade, transport and processing

- 7.2.1 **Minimum requirement**
All transactions between the ASMO and the buyer are subject to full compliance to physical traceability requirements.
- 7.2.2 **Minimum requirement**
Joining, blending and consolidating volumes of Fairtrade gold is allowed at any stage.
- 7.2.3 **Minimum requirement**
All transactions between the trader/buyer and any subsequent operator or between operators, including transport, are subject to full compliance to physical traceability requirements.
- 7.2.4 **Minimum requirement**
During any process of further enrichment or manufacturing, all possible efforts towards full compliance to physical traceability requirements are made.

Where full compliance to physical traceability requirements imposes disproportional transforming costs, limiting access to Fairtrade markets for Fairtrade certified ASMOs, refiners and manufacturers will be exempt from physical traceability requirements.
- 7.2.5 **Minimum requirement**
Operators (buyer/trader, transporter, refiner, manufacturer, etc.) handling Ecological Gold have to assure physical traceability requirements.
- 7.2.6 **Minimum requirement**
Documentary traceability must be ensured by any operator at any point of the supply chain by using an identification mark on all related documentation. The STANDARD requires that buyer and seller must clearly indicate an identification mark on the related documentation (such as Contracts, Delivery Notes, Invoices).
All operators must ensure that they and the certification body will be able to trace:
 - The seller of the product
 - The physical form of the product when transacted (purchase and sale)
 - The alterations performed and relevant yields
 - Disposals

- Quantities bought and sold (one up – one down)
- Date of transactions
- Payment of Fairtrade Price, Fairtrade Premium, Ecological Premium and pre-financing (where applicable).

8. Product composition

Intent

While the scope of this STANDARD covers exclusively Fairtrade and Fairmined gold as a metal, the product that bears the Label(s) is the final consumer product which contains that metal. Product composition rules shall assure that the certified gold is a significant component of the labelled final consumer product.

8.1.1 Minimum requirement

The label on the final consumer product has to indicate clearly that only the gold is certified as FAIRTRADE and FAIRMINED.

8.1.2 Minimum requirement

The final consumer products that may be labelled as “made with FAIRTRADE and FAIRMINED gold” are (i) jewellery, (ii) commemorative coins and ingots, (iii) medals and trophies and (iv) religious artefacts.

8.1.3 Minimum requirement

The use of the FAIRTRADE and FAIRMINED label(s) is subject to authorization by the licensing bodies respectively.

8.1.4 Minimum requirement

The minimum caratage of gold (Au) in labelled consumer products is 9 carats.

The minimum fineness of silver (Ag) in labelled consumer products is 800.

The minimum fineness of platinum (Pt) in labelled consumer products is 850.

8.1.5 Minimum requirement

Pre-fabricated items of jewellery that cannot be sourced from the Fairtrade chain of custody must not exceed 15% of the total fine gold content. The certified gold must constitute at least 85% of the gold used in the jewellery product.

8.1.6 Minimum requirement

The certified gold must constitute 100% of the gold used in commemorative coins, ingots, medals, trophies and religious artefacts.

8.1.7 Minimum requirement

Gold plated (gilded) medals or trophies consisting of other metals in their interior or in other ornamental parts, must contain at least 5 grams of fine gold.

8.1.8 Minimum requirement

The use of Fairtrade certified silver (Ag) or platinum (Pt) in gold alloys is voluntary and at the discretion of the manufacturer.