

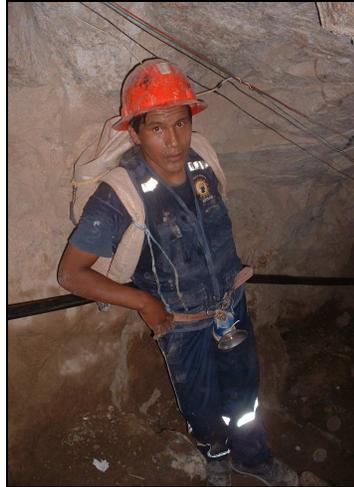


Fact sheet

Fairtrade Gold and Precious Metals

Standards in partnership with the Alliance for Responsible Mining (ARM)

Update: 17 March 2010



Fairtrade and ARM Respond....

Globally, over 100 million people who depend directly or indirectly on artisanal and small-scale mining are trapped in unfair supply chains and struggle to get a fair price for the gold they mine. Mining communities often lack basic sanitation, clean and safe drinking water, have poor housing conditions, little or no access to education and healthcare and are financially unstable.

The Alliance for Responsible Mining (ARM) and Fairtrade Labelling Organizations International (FLO), through a long consultation process, have developed Fairtrade standards that will enable miners and their families to improve their lives.

ARM has worked with miners all over the world to improve the environmental impact of mining, health and safety for miners and increase potential developmental impact of mining on communities. FLO, in its mission to alleviate poverty, has partnered with ARM to develop the first Fairtrade and Fairmined Standard for gold and associated precious metals.



Alliance for Responsible Mining

Going for Gold...

The launch of Fairtrade and Fairmined Standards for gold provides a lifeline for communities who find themselves at the mercy of unbalanced markets, when agriculture and other livelihoods are not viable. Many face exploitation from middle men who pay below market prices and cheat them on weight and purity of the gold content.

The new Fairtrade and Fairmined Gold Standards mean that interested businesses can use the FAIRTRADE and FAIRMINED Marks on certified gold products such as jewellery, commemorative coins, ingots, medals, trophies and religious artefacts. An industry market survey of 96 companies across eleven countries identified consumer products such as wedding rings, dress rings, necklaces, earrings and bracelets as potential products.

Artisanal and small scale miners produce just 15% of global annual gold supplies, but make up 90% of labour in gold extraction. Through Fairtrade and Fairmined certification, miners can improve their economic, social, labour and environmental conditions while consumers have a choice to buy a Fairtrade certified products.

New Fairtrade Standards...

The new Fairtrade and Fairmined standards aim 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 Fairtrade and Fairmined standard means that:

- Miners will get a better price for their gold, with increased security of the Fairtrade guaranteed minimum price. The Fairtrade minimum price for the pure gold content in unrefined gold is set at 95% of the London Bullion Market Association's (LBMA) fixing at the FOB export point.
- Miners will receive a Fairtrade Premium for community and business development, calculated as 10% of the applicable LBMA fixing. For Ecological Gold, gold that has been extracted without the use of chemicals and with strict ecological restoration requirements, an additional ecological premium, calculated as 5% of the applicable LBMA fixing on top of the Fairtrade Premium must be paid.

To be Fairtrade and Fairmined certified, miners must be organized and represented in the decision-making process of the mine. Democratic organization of miners, combined with the added Premium and increased earnings from access to Fairtrade markets, will enable miner organizations to improve the technology and working conditions at their mines, to have a stronger voice and to decide on and develop community projects in education, health, ecological restoration and economic diversification. Under these Fairtrade and Fairmined standards, this will lead to more enduring and sustainable development in mining communities. Additionally, the Fairtrade and Fairmined standard insists that miners must show that their gold will not contribute to conflict or violence in any form and only established groups who are legally mining can be certified.

The standard was piloted by ARM with nine legally-established mining producer organizations in Bolivia, Colombia, Ecuador and Peru and now applications are open to all small-scale and artisanal gold mining organizations in Latin America. More producer organizations from Latin America are expected to join the system in 2011 and beyond.

ARM is an international community-based multi-sector governed initiative created to enhance equity and wellbeing in artisanal and small-scale mining (ASM) communities. Working with miners and NGO's, ARM developed the original **Standard Zero** upon which ARM and FLO later developed the Fairtrade and Fairmined Standards for Gold from Artisanal and Small Scale Mining, including associated precious metals. Through site-based and product certification and corresponding market incentives, ARM supports small-scale and artisanal mining organizations and communities to meet criteria for responsible social, labour, environmental, and trading practices, and does advocacy work with governments for improved rights for ASM. ARM is committed to social justice and environmental responsibility as the values driving the transformation of ASM.

Fairtrade Labelling Organizations International (FLO) is a non-profit multi-stakeholder organization. FLO is responsible for the strategic direction of Fairtrade, the Fairtrade standards and producer support. The FAIRTRADE Certification Mark is a registered trademark of FLO which shows that a product meets international Fairtrade standards.