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| **Consultation document for Fairtrade Stakeholders:**Review of the Fairtrade Standard for Gold and Precious Metals |
| Consultation Period | 15.09.2014 – 17.10.2014 |
| Project Manager | Shemina Amarsy, Project Manager, Standards, s.amarsy@fairtrade.net |

**PART 1: Introduction**

1. General Introduction

[[1]](#footnote-1)Fairtrade Standards support the sustainable development of small-scale farmers, workers and artisanal small-scale miners in the Global South. Producers and traders must meet applicable Fairtrade Standards for their products to be certified as Fairtrade. The procedure followed, as outlined in the [Standard Operating Procedure for the Development of Fairtrade Standards](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2012-02-07_SOP_Development_Fairtrade_Standards.pdf), is designed by Fairtrade and compliant with all requirements of the ISEAL Code of Good Practice for Setting Social and Environmental Standards. This involves wide consultation with stakeholders to ensure that new and revised standards reflect Fairtrade International’s strategic objectives, are based on producers’ and traders’ realities and meet consumers’ expectations.

You are kindly invited to participate in this consultation. For this purpose, we ask you to comment on the proposed changes to the requirements suggested in this document and encourage you to give explanations, analysis and examples underlying your statements. All information we receive from respondents will be treated with care and kept confidential.

**Please submit your comments to the Standard Project Manager Shemina Amarsy at: s.amarsy@fairtrade.net by 17.10.2014.** If you have any questions regarding the draft standard or the consultation process, please contact the Project Manager by email.

Following the consultation round we will prepare a paper compiling the comments made, which will be emailed to all participants and also be available here <http://www.fairtrade.net/standards-work-in-progress.html> under the section for the Gold and Precious metals project. Taking into account all the comments received, the draft standard will be amended and presented to the Standards Committee (SC) for approval in December 2014.

1. Background

The purpose of the Fairtrade Standard for Gold and Associated Precious Metals is to create opportunities for artisanal and small-scale miners and their communities. The overall objective of this Standard is to promote the formalization of artisanal and small scale mining through the establishment of Artisanal and Small Scale mining organizations (AMSO). Thus, it aim at bringing benefits such as improved working conditions, strengthened producer organizations, improved environmental management (including mitigating the use of mercury and ecological restoration), social security, gender equality, child protection and the elimination of child labour in mining communities. It should also bring fairer market access and improved governance.

The Fairtrade standard for Gold and Associated Precious Metals for Artisanal and Small-scale Mining was first released in last November 2013, after an intense process of consultation. However, after one year of application, this **Standard requires improvement and revision** for the following reasons:

* Fairtrade International is introducing a new set of requirements helping miners and traders (including downstream buyers) demonstrate conformance with conflict-mineral regulations. The requirements proposed in this Standard are the fruit of an extensive research process and exchanges with many other sustainable mineral initiatives and frameworks. This research was conducted by Mrs Estelle Levin, Director of a bespoke consultancy providing research, advisory and training on sustainable mineral value chains[[2]](#footnote-2), from April to July 2014, and led to a series of recommendations for Fairtrade. The requirements presented here and open for consultation and comments are aligned and refer to the most recognized conflict mineral initiatives such as the  OECD  Due  Diligence  Guidance   for  Responsible  Supply  Chains  of  Minerals  from  Conflict-­‐Affected  and  High-­‐Risk  Areas  (OECD  DDG)[[3]](#footnote-3) and the Dodd-Franck Act[[4]](#footnote-4). The purpose of these requirements is to ensure that Fairtrade certified miners and traders (including downstream buyers) are in conformance with the schemes mentioned above, have a **strong system in place to ensure due diligence especially in conflict-minerals and high-risk areas**, and can set up effective remediation actions when needed.
* Furthermore, Fairtrade International wishes to develop a **standard that is appropriate and relevant to the context** of small-scale miners and for their communities. As the standard is implemented on the ground, ASMOs and local observers are relaying information and feedback regarding its applicability that prompt the revisiting of certain requirements, or amending timelines for their implementation. Certain themes of improvement are already identified here, leading to the revision proposals below. (On workers participation in decision making process, traceability requirements, use and eradication of toxic substances, etc.). However, the Standard is under constant review and will continue after this revision, as it is implemented on the ground. You are very welcome to raise any issue during this revision that has not already been covered and which you think Fairtrade International should consider.
1. Objectives of this consultation

The objective of this consultation is to improve the Fairtrade Standard for Gold and Precious Metals to make it appropriate to miners’, workers’ and traders’ reality; and ensure the standard helps miners, traders (including downstream buyers) demonstrate conformance with conflict-mineral regulations.

1. Project and Process Information

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| 01-1403-14 | * Define scope and project planning
* Contact with key stakeholders to define the objectives of the project
 |
| 04-1406-14 | * Minor changes in the standard ( wording clarifications and improvements)
* Research and gap analysis on Conflict-mineral regulations
* First mock audits in Peru, field visits in East Africa
* Compilation and analysis of all information received
 |
| 09-1410-14 | * Consultation of stakeholders
 |
| 10-1411-14 | * Compilation of responses from the consultation process
* Preparation of a final proposal for SC decision
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| 11-14 | * Final proposal presented to Fairtrade International SC for approval
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| 12-14 | * Publication of revised standards
 |
| 06-15 | * Proposed date of validity of the new standard
 |

Below is a summary of the progress to date and next steps:

5. Confidentiality

All information we receive from respondents will be treated with care and kept confidential. The results of this consultation will only be communicated in aggregated form. All feedback will be analysed and used to draw up the final proposal. However, when analysing the data we need to know which responses are from producers, traders, licensees, etc. so we kindly ask you to record the name of your company below.

1. **How to participate in this consultation**

Each section in this document introduces background information to the specific issue identified. The proposed changes to the standard are then presented in blue, and you are asked for to give your opinions and feedback below.

For each topic, the requirement in the Standard is indicated. Please have a look at the full Standard, by following [this link](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2014-09-15_EN_Gold_and_Precious_Metals_DRAFT_STANDARD.docx).

(You are also welcome to make comment and amendment in the Standard document itself, with track changes if you want to.)

Important: only the **most important** changes made to the standard are presented to you for this consultation. Some minor changes were also made mainly related to wording and structure of the standard, in order to facilitate its reading and application. For instance, the former standard used to address to the reader by saying “you”, and this was changed because some requirements are addressed to ASMOs and some others to traders, so the term “you” leads to confusion. In the same way, the order and the wording of certain requirements have been slightly changed. You are **not** consulted on these minor changes. We rather suggest here that you give us your feedback on the **key themes** identified below. You are of course welcome to add more themes.

**PART 2: Draft Standard Consultation**



The consultation is split into the following sections:

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# Information about your Organization

Please provide us with information about your organization so that we can analyse the data precisely and contact you for clarifications if needed. The results of the survey will only be presented in an aggregated form and all respondents’ information will be kept confidential.

**Name of organization (and FLO ID if applicable)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name of contact person**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Email of contact person**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**What is your responsibility in the supply chain (if applicable)? Please tick all that apply**

[ ]  ASMO

[ ]  Trader, and more specifically:

[ ]  *Processor (Smelter, Refiner, etc.)*

[ ]  *Exporter*

[ ]  *Importer*

[ ]  *Retailer*

[ ]  *Licensee*

[ ]  Governmental Organization

[ ]  Mineral Initiative

[ ]  Civil Society Organization

☐ Other, please specify

 **Which organization in the Fairtrade system do you work for/represent (if applicable)?**

[ ]  National Fairtrade organization

[ ]  Producer network

[ ]  Fairtrade International

# General requirements:

This requirement has been updated with the following guidance, to make it clear that ASMOs can take different setups and legal forms. The priority for Fairtrade is that democratic structures are in place to foster good governance and representation of all members.

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| **Year 0** | **Core** | **1.2.1** The majority of the miners working in the scope of the ASMO **must be comprised** **of** community-based artisanal or small-scale miners. Mining is done by themselves and their families; Furthermore* Owners/members/holders of the ASMO participate in mining activities or are dedicated to economic activities of the ASMO;
* Owners/members/holders of the ASMO are part of the mining community;
* Owners/members/holders of the ASMO are never shareholders of Industrial Mining Capital.

Guidance: the ASMO can have different legal setups, such as cooperative, or shareholding company, as long as the democratic rules laid out in requirement 4.2.1 are respected and that a democratic organizational structure is in place, which enables effective and equal control by the members |

**Do you have any comment on this guidance?**

[ ]  Yes

[ ]  No

Please develop your comment here:

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1. ASMO responsibilities:

The scope of this section was broadened so that ASMOs make sure **they do not directly or indirectly support conflict or human right abuses**, and are provided with guidance on how to assess and monitor risks. **All ASMOs** should apply these requirements, regardless of whether they are located in a conflict-affected zone. An area can become conflict-affected in a short space of time, leaving little time for an ASMO to introduce monitoring systems. It is important therefore that strong monitoring systems are in place prior to any deterioration of political context. Thus the idea to apply these rules to all ASMOs:

**1.3 ASMOs responsibilities (page**

**Intent and scope**

The intent of this section is to ensure that the ASMO and its registered members abide by all legal obligations under national and international legislation.

******This section also intends to give guidance to ASMOs on how to handle mining responsibly, particularly in the context of conflict-affected and high risk areas.

Mining can indeed take place in effective or latent conflict affected zones, or in areas marked with political instability. This can lead to instability or violence that can affect the lives of miners and their communities, and in worst cases, lead to human right abuses.

This section states that the activities of miners must not support or benefit from armed conflicts or human right abuses.

Furthermore, it provides guidance on how to identify and assess potential risks, and remediate effects. This guidance is based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas” (OECD Guidance), which is the most widely recognized due diligence framework for minerals sourced from conflict zones.[[5]](#footnote-5)

**Do you have any comment on this intent and scope?**

[ ]  Yes

[ ]  No

Please develop your comment here:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Furthermore the following requirements have been included for ASMOs. (In another chapter, similar requirements are applied to traders, in order for the due diligence and monitoring of conflict-minerals to be made all along the supply chains.)

|  |  |  |
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| **Year 0** | **Core** | The ASMO must have an anti-corruption policy. This policy must strictly forbid bribery, money laundering, illegal taxation and extortion. This policy includes remediation measures in case such forms of corruptions arise. |

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| **Year 0** | **Core** | 1.3.8 The ASMO must not provide direct or indirect, voluntarily or non-voluntarily support to non-state armed groups or their affiliates.The ASMO must not directly or indirectly, voluntary or involuntarily, cause, tolerate or benefit from any acts of armed violence or of serious human right abuses such as human trafficking and slavery.  The use of private security will be exclusively accepted to provide security to mine workers and safeguarding human rights, in accordance with the Voluntary Principles on Security and Human Rights.Guidance: *According to the OECD DGG, “direct or indirect support” to, non-state armed groups or their affiliates includes making payments to them or providing them with any kind of financial support, or logistical assistance or equipment*. |
| **Year 0** | **Core** | 1.3.9 The ASMO must have a conflict mineral and human rights policy. The conflict mineral and human rights policy should include as a minimum the following principles, stating that within the ASMO’s own operations and those of third parties with which it does business there must be:* No abuses, torture, cruel or inhumane treatment
* No forced or compulsory labour, including no worst forms of child labour
* No gross human rights abuses and violations such as widespread sexual violence
* No war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
* No direct or indirect or indirect support of non-state armed groups
* No direct or indirect support of private or public security forces illegally controlling the mines sites
* No bribery, fraudulent misrepresentation of origin of minerals or money laundering

This policy should include information on the due diligence measures to be conducted to ensure the application of the ASMO’s conflict mineral and human rights policy.This policy should refer to the grievance mechanism defined in requirement 1.3.3. ( for external party to the ASMO to report on violation or abuses)This policy should also lay out a mechanism for miners and workers of the ASMO to report on violations or abuses. |
| **Year 0** | **Core** | 1.3.10 The ASMO must identify and assess:* Whether it is operating in a conflict-affected or high risk area
* Whether there are risks regarding the direct or indirect financing or support to armed groups or of illegal activities within its System of Production

*Guidance: To detect if it is operating in a conflict-affected or high risk area, or whether there are risks regarding the direct or indirect financing or support to armed groups or of illegal activities, the ASMO may use different indications, such as:** *“Red flags” listed in the OECD DDG*
* *The Conflict Barometer produced by the Heidelberg Institute for International Conflict research [[6]](#footnote-6)*
* *Guidance from its buyers*

*Interviews of workers, miners, local NGOs, etc.* |
| **Year 1** | **Core** | 1.3.11 If after completing the requirement 1.3.10 above, the ASMO:* Identifies that it operates in a conflict- affected or high risk affected area

or * Detects risks regarding the direct or indirect financing or support to armed groups or of illegal activities within its System of Production

Then the ASMO must put in place a risk management system[[7]](#footnote-7) including:* Assignment of a senior staff member responsible for managing the due diligence on direct or indirect support of conflicts and of human rights abuses
* Conduct of regular risk assessments as per requirement 1.3.10 above
* Conduct unannounced spot-checks of all areas and facilities in the System of Production ( as part of the ICS)
* Conduct of regular awareness-raising sessions with staff on how to use to report on eventual conflict- related issues or human rights abuses ( see requirement X)

*Guidance: A risk management system allows the ASMO to monitor risks and detect them at an early stage. Other measures the ASMO can put in place to strengthen its risk management system and reassure buyers include the conduct of background checks before admitting new members, regular check of the capacity of the System of Production against actual production, and capacity of on-site processing facilities with actual output.* |
| Year 1  | Core | 1.3.12 If after completing the requirement 1.3.10 above, the ASMO:* Identifies that it operates in a conflict- affected or high risk affected area

or * Detects risks regarding the direct or indirect financing or support to armed groups or of illegal activities within its System of Production

Then the ASMO must report to interested stakeholders and commercial partners on the due diligence and risk management measures it has taken. This report must not contain information that are commercially sensitive or represent confidential business information. |
| Year 3  | Dev | 1.3.13 If after completing the requirement 1.3.10 above, the ASMO:* Identifies that it operates in a conflict- affected, post-conflict affected or high risk affected area

or * Detects risks regarding the direct or indirect financing or support to armed groups or of illegal activities within its System of Production

Then the ASMO sets up preventive measures or appropriate remediation project. This can be a community based project on conflict-related issues, or with conflict affected stakeholders, or a project conducted with appropriate partner(s) to understand the roots and causes of the conflict, and its effects on the miners and its community. |

**Do you agree with these requirements? (Their content and intent, timelines for application, etc.)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please explain your rationale below

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ASMOs and surrounding communities:**

Lastly, ASMOs are responsible for **promoting the sustainable development of their surrounding communities**, including entities and people that are **NOT part of their System of Production**. This includes for instance women mineral selectors that are not always formally part of the System of Production, but also families and communities simply living around the System of Production. The requirement has been re-worded for better clarity, and also revised in the following way, in order to include new target groups such as **young adults, girls, migrants**, etc.

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| --- | --- | --- |
| **Year 3** | **Dev** | **1.3.6** The ASMO **must play an active role** in planning and promoting local sustainable development. This includesassuming responsibility over the surrounding mining community including areas, entities and people that are NOT part of the System of Production, but part of the surrounding overall mining community. * + ***Guidance:*** In the surrounding mining community that is not part of the System of Production,The ASMO may for instance engage in: collaborating with other community groups and its authorities to monitor and sustainably manage forest areas within its area of influence, or defining protected areas;
	+ developing efforts to monitor the situation of vulnerable groups (including for instance women and girls, young people[[8]](#footnote-8), migrants , etc.)
	+ developing efforts to monitor and campaign for prohibiting amalgam burning within habitats areas, and performance of amalgam burning within well-defined sites, isolated from residences
 |

**Do you agree with this requirement? (its content, intention, timeline of application, etc)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Traceability**:**

The requirements relative to traceability, applicable for ASMOs and traders, have been slightly amended and reworded so as to clearly state and better reflect that:

* There should be physical segregation between Fairtrade certified minerals and non-certified minerals
* There should be a documentary traceability in place: the Fairtrade certified metals should be identified in all documents (entrance document, purchase orders, etc.)
* ASMOs AND traders are accountable for the traceability of the metal, actually there should be traceability at all stages of production and sale
* The term ‘trader’ encompasses all buyers and sellers in the supply chain, including downstream buyers, and also processors, particularly refiners.

**Do you agree with the Traceability requirements (section 2.1)?**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Traders and conflict-minerals**

Furthermore the following requirements have been included to the requirements for traceability applicable to buyers. These requirements aim at ensuring that traders (including refiners) set up due diligence processes towards conflict- minerals and have a strong management system in place to control and monitor the trade of gold along their supply chains.

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| --- |
| 2.1.15 Traders (buyer/, transporter, refiner, manufacturer, etc.) must not voluntarily or non-voluntarily provide direct or indirect support to non-state armed groups or their affiliates. Traders must not directly or indirectly, voluntary or involuntarily, cause, tolerate or benefit from any acts of armed violence or of serious human right abuses such as human trafficking and slavery. Guidance: *According to the OECD DGG, “direct or indirect support” to, non-state armed groups or their affiliates includes making payments to them or providing them with any kind of financial support, or logistical assistance or equipment*.  |
| 2.1.16 Traders (buyer, transporter, refiner, manufacturer, etc.) may use private security “solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade”. [[9]](#footnote-9)Such private security must be engaged in accordance with the Voluntary Principles on Security and Human RightsTraders must share transparently information about the payments made to these private security contractors. |
| 2.1.17 Traders (buyer, transporter, refiner, manufacturer, etc.) must have a conflict mineral and human rights policy. The conflict mineral and human rights policy should include as a minimum the following principles. This principles state that within the operator’s own operations and those of its subcontractors there must be:* No abuses, torture, cruel or inhumane treatment
* No forced or compulsory labour, including no worst forms of child labour
* No gross human rights abuses and violations such as widespread sexual violence
* No war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
* No direct or indirect or indirect support of non-state armed groups
* No direct or indirect support of private or public security forces illegally controlling the mines sites
* No bribery, fraudulent misrepresentation of origin of minerals or money laundering

This policy should include information on the due diligence measures to be conducted to ensure its application. |
| 2.1.18 The conflict mineral and human rights policy should include a Transport Control Policy, contributing to establish principles regarding control of the gold and precious metal during transport, in order to avoid extortion and illegal taxation during transport.*Guidance: This policy is meant to ensure that there are no violations during transportation and within transportation routes such as extortion, illegal taxation and smuggling. Traceability technologies and geo-localization system can be used.*  |
| 2.1.19 Traders must identify and assess:* Whether they purchase the gold or precious metal from a supplier located in a conflict-affected or high risk area
* Whether there are risks regarding the direct or indirect financing or support to armed groups or of illegal activities within their own operations

*Guidance: To detect these risks, the operator may use different indications, such as:** *“Red flags” listed in the OECD DDG*
* *The Conflict Barometer produced by the Heidelberg Institute for International Conflict research [[10]](#footnote-10)*
 |
| 2.1.20 If after completing the requirement 2.1.19 above, traders :* Identify that they purchase their gold or precious metal from a supplier located in a conflict-affected or high risk area
* or
* Detects risks regarding the direct or indirect financing or support to armed groups or of illegal activities within their own operations

Then they must put in place a risk management system[[11]](#footnote-11) including:* Assignment of a senior staff member responsible for managing the due diligence on direct or indirect support of conflicts and of human rights abuses
* Conduction of regular risk assessments as per requirement above
* Conduction unannounced spot-checks of all areas and facilities their supply chains
 |
| 2.1.21 If after completing the requirement 2.1.19 above, traders:* Identify that they operate in a conflict- affected or high risk affected area

or * Detect risks regarding the direct or indirect financing or support to armed groups or of illegal activities within their own operations

Then they must report to interested stakeholders and commercial partners on the due diligence and risk management measures taken. This report must not contain information that are commercially sensitive or represent confidential business information. |

**Do you agree with these requirements? ( their content, intention, timelines for application, etc.)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

**Internal Control System**

The Internal Control System ICS is a tool to set up and monitor management practices within an ASMO. The timeline of implementation of the ICS is changed (in chapter 3.1, Management of production practices) in order to be better adapted to the ASMOs’ reality. Instead of being applicable at Year 0 (eg as a pre requisite for certification), the proposal is that it becomes valid from the 3rd year of certification. The reason is that ASMOs need time and resources before being able to setup effective Internal Control Systems, which is part of the way for the formalization, organization strengthening that Fairtrade encourages.

Independently from whether there is an ICS or not, ASMOs are accountable as of Year 0 for all requirements related to traceability of the minerals, implement of conflict-mineral requirements, etc.

Do agree with the requirements on Internal Control System for ASMOs (3.2 to 3.6)? (**their content and intent, timelines for application, etc.)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

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# Management of toxic substances:

Certified miners must use safe and responsible practices for managing toxic chemicals in gold recovery. Chemicals have to be reduced to a minimum and where possible eliminated over an agreed time period, supporting achievement of the policy goals of the Minamata Convention on mercury management and elimination. A process must be set up to support ASMOs to minimize or eradicate (as appropriate) the use of mercury and cyanide over a period of time, through implementation of responsible practices and technologies to mitigate the impact on the environment and human health. However the use of mercury, until an alternative solution that is economically and technically viable, should follow certain rules:

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| **Year 0** | **Core**  | 3.2.1 The use of Mercury must be limited to designated areas, and should not happen near river beds.  |
| **Year 0**  | **Core** | 3.2.2 Miners and workers handling mercury should use adequate protective equipment (gears, etc.) |
| **Year 0** | **Core** | **3.2.3** 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.***Guidance:*** In case of Systems of Production without mechanized processing plants (only domestic processing plants), hand-sorting of mineral inside or outside the mine is considered a concentration process. |
| **Year 0** | **Core** | **3.2.4** If mercury is used in mineral processing, retorts or alternative processing **must be used**. |
| **Year 0** | **Core** | **3.2.5** Nitric acid **must not be used** for dissolving amalgam. |
| **Year 0** | **Core** | **3.2.6** Amalgam burning **must not take place** in homes or kitchens, or other indoor places where people without protection may be affected.Amalgam burning **must be done** using recovery techniques only in designated premises providing privacy and security, and with proper equipment and trained personnel. |
| **Year 0** | **Core** | **3.2.7 A** safe site must be maintained for the specific purpose of storage, use, and disposal of toxic and dangerous substances. This location **must have** adequate conditions for safe storage and inventory keeping .Toxic and dangerous substances **must not be stored** in residences.***Guidance:*** Toxic and dangerous substances includeexplosives, mercury, cyanide, acids and any other chemical substance. Adequate conditions include a ventilated building or structure with access by only trained persons. |
| **Year 0** | **Core** | **3.2.8** The toxic and dangerous substances may only be used and handled by trained adults over 18. Toxic and dangerous substances such as mercury, cyanide and acids **must never be used or handled** by pregnant or breastfeeding women, or persons diagnosed with mental deficiencies, or diseases of the gastrointestinal, urinary, nervous or respiratory systems. |
| **Year 0** | **Core** | **3.2.9** Instruments and tools used for any operations with mercury **must not be used** in any other domestic activity. |
| **Year 0** | **Core** | **3.2.10** If the ASMO uses cyanide to recover gold, cyanide solutions and tailings **must be detoxified** in a lined pond or tank before discharge. |
| **Year 0** | **Core** | **3.2.11** Amalgamation and cyanidation tailings and solutions **must not be discharged** into water, in places susceptible to flooding, or where they can reach water bodies.Guidance: In order to fulfil this, disposal of mercury-contaminated tailings can be done by placing it on a clay or laterite soil-lined pit of several metres depth, located 100 metres away from any water body. When the hole is filled with mercury-contaminated tailings, it can be covered with 1 meter of clay or laterite, then compacted, covered with soil, and re-vegetated.”[[12]](#footnote-12) |
| **Year 0** | **Core** | **3.2.12** Any cyanide leaching plant **must be operated** by personnel trained in the safe and proper use of cyanide. |
| **Year 0** | **Core** | **3.2.13** Cyanide leaching of unprocessed amalgamated tailings is not allowed and **must not take place**. If amalgamated tailings are leached, mercury recovering gravimetric pre-processing must precede cyanidation. |
| **Year 1** | **Core** | **3.2.14** The cyanide leaching plant **must be constructed** in such a way that environmental contamination does not occur. |
| **Year 3** | **Core** | **3.2.15** Amalgamation **must not be used** if gold recovery without mercury is commercially and technically possible.Guidance: The ASMO needs to develop a technical and financial plan in order to remove the mercury from its processes |
| **Year 3** | **Core**  | **3.2.16** ASMO should start trials with alternative extraction methods |
| **Year 6** | **Core** | **3.2.17** A significant volume of gold is extracted from ASMOs with alternative extraction methods |

**Do agree with these requirements? (their content and intent, timelines for application, etc.)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Alluvial mining**

**Do you think Fairtrade International should develop specific environmental requirements and safeguards concerning alluvial mining?**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Labour rights

The section on Labour rights (section 3.3) have been slightly amended with further guidance, change of wording in order to facilitate is application. As ASMOs can be very different to one another according to the local, national and economical context, and can employ very different amount of workers, certain requirements like the section on conditions of employment are only applicable if a significant amount of workers is employed (see section 3.3).

Please have a look at the labour section (section 3.3) and mention if you have any comment on it:

[ ]  Yes

[ ]  No

Please develop your comment here:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Child labour:**

More specifically, Fairtrade International is firmly committed to combat worst forms of labour, including **child labour**. Therefore, this standard proposes ten requirements preventing Child labour and fostering child protection. (Please have a look at the requirements on child labour, in section 3.3). One of these requirements demands the implementation of community based monitoring and remediation of child labour in case there is a risk identified within the organization, or the surrounding community:

|  |  |  |
| --- | --- | --- |
| **Year 0** | **Core** | **3.3.19** If child labour (i.e., work which puts children’s health, safety or morals and their school attendance at risk) is a known risk in your organization or the surrounding community, the ASMO **must design and implement** youth-inclusive community-based monitoring and remediation of child labour and address and prevent child labour cases, following your organizations’ Child Protection Policy and Procedures as agreed by the GA.  ***Guidance:*** Relevant procedures are Youth (over 18 years old) inclusive community based monitoring and remediation on child labour and should be done on an on-going basis. Objectives of these procedures include * identifying children in or at risk of being employed in child labour,
* reporting on the status of the identified children on a regular basis,
* measuring the progress made in employing a rights based framework for preventing and phasing out child labour; and

Avoiding that children withdrawn from labour situations are substituted by other children Community based monitoring and remediation includes keeping records of all workers stating their age, gender, identification papers, migratory status and other relevant data. |

**Do agree with this requirement? (its content and intent, feasibility, timelines of application, etc.)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

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# Workers’ participation in ASMOs’ Premium governance:

Lastly, in **section 4.1, titled ‘Development Potential’**, ASMOs are asked to set up a Fairtrade Premium Committee in order to manage and administrate the Fairtrade Premium. The Fairtrade Premium is an amount paid by the buyer to the ASMO or to its miners, in addition to the payment for their products. It is a tool for development, supporting the ASMO and its community to realize their development objectives as per a self-developed Development Plan. All miners of the ASMO should be represented in the Fairtrade Premium Committee, regardless of their profile, turnover, or production capacity. The Fairtrade Premium Committee respects the principle of “one man one voice”. The proposal is to **now include workers** in the governance of the Fairtrade Premium, and that workers are also elected to run the Fairtrade Premium Committee. It was indeed observed by local experts that workers should be able to also decide on the Premium use and projects. In certain ASMOs, employing large numbers of workers, workers should be entitled to have a say in the decision-making process, thus the proposals below:

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| **Year 0** | **Core** | **4.1.1** A Fairtrade Premium Committee (FPC), with elected members, elected workers appointed advisors **must be created**, with the purpose of managing the Fairtrade Premium for the benefits of all members and workers. ***Guidance:*** The ASMO’s **Premium Committee** represents all social groups of the ASMO and its members, including workers, and sets the priorities for the Fairtrade Development Plan use through a Premium Plan. The Premium Committee is independent from the ASMO board.  |

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| **Year 1** | **Core** | **4.1.3** The Internal Rules of the Premium Committee **must be discussed and approved** by the General Assembly. A delegate scheme of all workers employed by the ASMO and its members is also invited to the General Assembly and allowed to vote  The ASMO must record the constitutional assembly and make an official record of the decision. |

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| **Year 1** | **Core** | **4.1.10** The ASMO **must have** a separate bank account for managing the Premium.There must be a double signature (one from the Premium Committee and one the from ASMO).Registered miners selling directly to Fairtrade Buyers must deposit the premium payments received from buyers within 4 weeks of reception into the premium account.  |

**Do agree with these requirements? (their content and intent, feasibility, timelines of application, etc.)**

[ ]  Yes

[ ]  No

[ ]  I am unsure

Please develop your comment here:

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# Pre-finance and Pricing:

The sections on Pre-finance (4.4) and Pricing (4.5) have been slightly amended, in terms of wording, in order to facilitate the requirements application.

**Please have a look at the sections on Pre-finance (4.4) and Pricing (4.5) in the standard and mention if you have any comment on it:**

[ ]  Yes

[ ]  No

Please develop your comment here:

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# Additional comments

**If you have any other comments or issues related to the Standard, thanks for including them here:**

We thank you a lot for your participation and valuable input!.



For any question, please contact Shemina Amarsy at s.amarsy@fairtrade.net

1. *All pictures of this document are extracted from the website:* [*http://www.fairgold.org/*](http://www.fairgold.org/)*. Photo credits and special thanks to people and companies making these photos available are mentioned in the website* [↑](#footnote-ref-1)
2. www.estellelevin.com [↑](#footnote-ref-2)
3. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: http://www.oecd.org/investment/mne/GuidanceEdition2.pdf [↑](#footnote-ref-3)
4. http://www.sec.gov/rules/final/2012/34-67716.pdf [↑](#footnote-ref-4)
5. http://www.oecd.org/investment/mne/GuidanceEdition2.pdf [↑](#footnote-ref-5)
6. http://www.hiik.de/en/ [↑](#footnote-ref-6)
7. In accordance with the OECD DDG for Responsible supply Chains of Minerals from Conflict-Affected

and High-Risk Areas: http://www.oecd.org/investment/mne/GuidanceEdition2.pdf [↑](#footnote-ref-7)
8. Young people are people between ages of 18 years to 24 years according to UN definition [↑](#footnote-ref-8)
9. OECD DDG [↑](#footnote-ref-9)
10. http://www.hiik.de/en/ [↑](#footnote-ref-10)
11. In accordance with the OECD DDG for Responsible supply Chains of Minerals from Conflict-Affected

and High-Risk Areas: http://www.oecd.org/investment/mne/GuidanceEdition2.pdf [↑](#footnote-ref-11)
12. (<http://www.unep.org/chemicalsandwaste/Portals/9/Mercury/Documents/ASGM/UNIDO%20Guidelines%20on%20Mercury%20Management%20April08.pdf>) [↑](#footnote-ref-12)