



# Fairtrade Standard

## for

### Gold and Associated Precious Metals for Artisanal and Small-Scale Mining

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Contact for comments: [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)

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For further information and standards downloads:  
[www.fairtrade.net/standards.html](http://www.fairtrade.net/standards.html)



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## Introduction

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### Purpose

Fairtrade is a strategy that aims to promote sustainable development and to reduce poverty through fairer trade.

The main goals of Fairtrade are making changes to the conventional trading system that aim to benefit disadvantaged small producers and workers in the Global South and increasing their access to markets. These actions can lead to improvements in small producer's social and economic well-being, as well as to their empowerment, and to environmental sustainability. The Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small-Scale Mining covers the requirements that need to be complied with in order to participate in the Fairtrade system.

### Artisanal and small-scale mining organizations

The overall objective of this standard is to create opportunities for artisanal and small-scale miners and their communities, by promoting the formalization of the artisanal and small-scale mining (ASM) sector through establishing membership-based artisanal and small-scale mining organizations (ASMO). The aims are to improve working conditions for miners and strengthened mining organizations and their capacity to lobby for:

- legislation and public policies that promote a responsible ASM sector;
- 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;
- the well-being of families and children, fairer market access;
- benefits to local communities in mineral-rich ecosystems; and
- improved governance within this sector.

An ASMO is constituted according to the legal, social, cultural and organizational reality of the local context. An ASMO promotes formalization and improvement of mining practices within an ASM community, and has direct (held by the ASMO) or indirect (held by miners of the ASMO) legal or contractual rights and environmental permits to mine.

An ASMO is comprised of and/or held by legal owners, landowners, shareholders and/or members. Under the ASMO's umbrella different artisanal and small-scale miners may be operating with the ASMO's consent: among them there might be self-employed miners, family units, groups of self-employed miners, other community-based organizations like women mineral selectors, micro-enterprises contributing to the family economy, small enterprises, and similar, as well as various types of workers.

The ASMO is responsible for Fairtrade certification and has either the legal right to grant permission to miners to work under its umbrella or has been appointed by the holders of such rights to jointly represent them in all matters related to Fairtrade certification.

Fairtrade's vision for artisanal and small-scale mining is aligned to the core Fairtrade values of empowering producers and local communities through trade and delivering economic, social and environmental transformation and restoration. Fairtrade believes that the intended change can only



happen if both ASMOs and traders share responsibility and partner together towards sustainable and fair mining practices.

This standard is not intended for mineral rush situations, nor for newcomer mining in environmentally sensitive areas, but rather seeks to act as an incentive for organization and formalization of ASMOs.

## References

When setting the Fairtrade Standards, Fairtrade International follows certain internationally recognized standards and conventions, in particular those of the International Labour Organization (ILO). Fairtrade has a rigorous standard operating procedure for setting Fairtrade Standards, which can be found at [www.fairtrade.net/setting-the-standards](http://www.fairtrade.net/setting-the-standards). The Fairtrade International procedure is designed in compliance with the [ISEAL Code of Good Practice](#) for Social and Environmental Standards.

Fairtrade International also requires that mining organizations always abide by national legislation, on the topics covered by this standard, unless that legislation conflicts with internationally recognized standards and conventions, in which case the higher criteria prevail. However, if national legislation sets higher standards or ensures more favourable conditions for workers on an issue than Fairtrade International, then it prevails. The same applies to regional and sector-specific practices.

## How to use this Standard

### Scope

This standard applies to ASMOs in the countries in the geographical scope in Annex 3, and to traders buying and selling precious metals produced by ASMOs.

### Chapters

The Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small Scale Mining has four chapters: General Requirements, Trade, Production and Business and Development.

- The **General Requirements** chapter defines what Fairtrade understands by ASMO and their members.
- The **Trade** chapter defines what ASMO and traders can do to build fair trading practises.
- The **Production** chapter defines what producers can do via production methods to better secure sustainable livelihoods.
- The **Business and Development** chapter defines the unique Fairtrade approach to development. It explains how through social organization ASMO can build a basis for empowerment and sustainable livelihoods.

### Structure

In each chapter and section of the standard you will find:

- The **intent** which introduces and describes the objective and defines the scope of application of that chapter or section;
- The **requirements** which specify the rules that you must adhere to. You will be audited according to these requirements; and
- The **guidance** provided to help you interpret the requirements. The guidance offers best practices, suggestions and examples of how to comply with the requirement. It also gives you further explanation on the requirement with the rationale and/or intention behind the requirement. You will not be audited against guidance.



## Requirements

In this standard you will find two different types of requirements:

- **Core requirements** which reflect Fairtrade principles and must be complied with. These are indicated with the term 'Core' found in the column on the left throughout the standard.
- **Development requirements** which refer to the continuous improvements that certified organizations must make on average against a scoring system (also defining the minimum average thresholds) defined by the certification body. These are indicated with the term 'Dev' found in the column on the left throughout the standard.

You are in compliance with the Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small Scale mining if you fulfil all core requirements **and** reach the minimum score on the development requirements as defined by the certification body. For more information on how you will be audited against the core and development requirements please see the certification body's website.

Each requirement is assigned a number (0, 1, 3 or 6). This number represents the number of years you have until you are audited against the requirement. Note that some requirements may not apply to you. For example, if you and the members of your ASMO do not hire workers, then you will not be audited against requirements related to workers. Or, for example, if your ASMO and members do not use any mercury, then it will not be audited against requirements related to mercury. In such cases, the certification body will consider these requirements as non-applicable.

In this standard some requirements apply to the certified ASMO (and its members) as the responsible party for fulfilling the requirement, and some apply to the certified trader as the responsible party for fulfilling the requirement. This is indicated next to each requirement under the column "applies to". Please note that the Fairtrade Trader Standard also applies. In cases where this standard differs from the Fairtrade Trade Standard, the requirements presented in this standard apply.

## Implementation

The certification body develops technical compliance criteria to be used during audits and for making certification decisions. These compliance criteria follow the wording and objectives of the requirements in this document.

Fairtrade International Standards and Pricing provides explanatory documents which contain further information related to this standard. Once finalized, these documents can be found on the Fairtrade International website: [www.fairtrade.net/standards](http://www.fairtrade.net/standards). You will not be audited against the explanatory documents.

## Application

This version of the Fairtrade Standard for Gold and Precious Metals is valid from 16 April 2015.

This version supersedes all previous versions and includes new and changed requirements. New requirements are identified in this standard by the words "**NEW 2015**"

Organizations that start their certification on or after 16 April 2015 will need to comply with all applicable requirements. The timelines indicated in requirements refer to the number of years after first certification.



Organizations that are certified before 16 April 2015 will need to comply with all applicable requirements in 15 October 2015.

## Monitoring of changes

Fairtrade International may change Fairtrade Standards as explained in Fairtrade International's Standard Operating Procedures, see [http://www.fairtrade.net/setting\\_the\\_standards.html](http://www.fairtrade.net/setting_the_standards.html). Fairtrade Standards requirements can be added, deleted, or changed. If you are Fairtrade certified, you are required to regularly check the Fairtrade International website for changes to the standards.

Fairtrade certification ensures that you comply with Fairtrade Standards. Changes to Fairtrade Standards may change the requirements of Fairtrade certification. If you wish to be or are already Fairtrade certified, you are required to regularly check the compliance criteria and certification policies on the certification body's website at [www.flocert.net](http://www.flocert.net).

## Change history

Version number	Date of publication	Changes
08.11.2013 v1.0	08.11.2013	First publication of standard
08.11.2013 v1.1	15.06.2014	Minor wording adaptations in the standard and alignment with compliance criteria
08.11.2013 v1.2	16.04.2015	Limited review of the standard to include safeguards on conflict-minerals, and on other themes related to social and environmental protection, such as use of mercury, alluvial mining, workers' participation in decision-making on premium use, and relations with local communities (including indigenous groups). It also entails simplification of wording, re-organization, deletion of redundancies, added or improved guidance and introduction of a new standard design.



# 1. General requirements

**Intent:** This chapter outlines the requirements that relate to the certification of your ASMO and members and to the scope of this standard. It ensures that fundamental safeguards are in place to comply with this standard and its intended impacts.

## 1.1 Certification

### 1.1.1 Accreditation

<b>Applies to:</b> ASMO	
<b>Core</b>	When applying for initial certification, you <b>have accreditation for</b> your “artisanal and small-scale” nature in a recommendation letter from a government agency and/or a local or international NGO.
<b>Year 0</b>	
<b>Guidance:</b> If there is any doubt about the artisanal and small-scale nature of your ASMO, FLOCERT can consult local mining laws, if they define artisanal and/or small-scale mining, and nearby ASM communities.	

### 1.1.2 Vision and constitution

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>provide</b> documentary evidence that your vision and constitution are in line with Fairtrade objectives.
<b>Year 0</b>	

### 1.1.3 Accepting audits

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>accept</b> audits of your premises and subcontracted premises, and provide information at the certification body’s request.
<b>Year 0</b>	

### 1.1.4 Contact person for certification and contact person for commercial matters.

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have appointed</b> a contact person for all certification matters. This person <b>must keep</b> the certification body and Fairtrade International updated with contact details and important information. You have also one designated official contact for Fairtrade <b>commercial</b> matters.
<b>Year 0</b>	



### 1.1.5 Support

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>allow</b> Fairtrade International staff and consultants working on the behalf of Fairtrade to support the members of your organization.
<b>Year 0</b>	
<b>Guidance:</b> Fairtrade staff and consultants working on the behalf of Fairtrade support the empowerment and development of the organization and its members in order to increase their representation and participation in the global gold supply chain, in particular through the training of workers, and the integration of organised women.	

## 1.2 Membership and boundaries

### 1.2.1 Artisanal or small-scale miners

<b>Applies to:</b> ASMO	
<b>Core</b>	The majority of your members <b>are</b> community-based artisanal or small-scale miners. Mining is done by themselves and their families. Furthermore the owners/members/holders of the ASMO:
<b>Year 0</b>	
<ul style="list-style-type: none"> <li>• participate in mining activities or are dedicated to economic activities of your ASMO;</li> <li>• are part of the mining community; and</li> <li>• are not shareholders of industrial mining capital.</li> </ul>	
<b>Guidance:</b> Your ASMO can have different legal set-ups, such as a cooperative, or a shareholding company, as long as the democratic rules laid out in requirement 4.2.1 are respected and a democratic organizational structure is in place, which enables effective and equal control by the members.	

### 1.2.2 Defined geographical boundaries

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> clearly <b>defined</b> geographical boundaries.
<b>Year 0</b>	
<b>Guidance:</b> Your geographical boundaries, which you define, must be local to the centres and region of production under your direct influence. The boundaries help ensure that members are fully aware of and committed to the goals and regulations of the organization.	

## 1.3 ASMO responsibilities

**Intent:** The intent of this section is to ensure that the ASMOs and its registered members abide by all legal obligations under national and international conventions.





This section also gives guidance to ASMOs on how to handle mining responsibly, particularly in the context of conflicts- affected and high risk areas. The ASMO has a responsibility to any third party operator it works with.

Mining can take place in or could support current 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 rights abuses. Therefore, this section 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.<sup>1</sup>

### 1.3.1 Taxes, fees, royalties and other tributes

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>pay</b> taxes, fees, royalties and other tributes to the relevant authorities, as required by the applicable legislation.
<b>Year 0</b>	

### 1.3.2 Anti-corruption policy

<b>Applies to:</b> ASMO	
<b>Core</b>	You have an anti-corruption policy. This policy must strictly forbid bribery, money laundering, illegal taxation and extortion. This policy includes remediation measures, in case corruption arises.
<b>Year 0</b>	

### 1.3.3 **NEW 2015** Grievance procedure

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> a transparent, legitimate, accessible, equitable and effective grievance procedure <sup>2</sup> in place for issues related to conflict, human rights and the environment, which includes a due diligence process.
<b>Year 0</b>	<p>The grievance procedure <b>includes</b>:</p> <ul style="list-style-type: none"> <li>• a responsible person in charge of grievances nominated by the ASMO management;</li> <li>• processes for documenting grievances, concerns and corrective measures; and</li> <li>• processes for the investigation and decision-making within ninety days after receiving a grievance.</li> </ul> <p>Furthermore the grievance mechanism <b>must be</b> a source of continuous learning, drawing lessons from harms occurred, in order for the grievance not to be repeated.</p>

<sup>1</sup> <http://www.oecd.org/investment/mne/GuidanceEdition2.pdf>

<sup>2</sup> This grievance procedure is aligned with the UNDP’s ( specifically non state grievance mechanisms) for Industry, multi-stakeholder and other collaborative initiatives: <http://business-humanrights.org/sites/default/files/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>



### 1.3.4 Investigation by an external body

<b>Applies to:</b> ASMO	
<b>Core</b>	<p>If grievance issues cannot be resolved, concerns <b>are investigated</b> by a competent environment or human rights body (as applicable) that is recognized by the national federation of the affected miners. The terms of reference for the investigation <b>are approved</b> by the certification body. You <b>take measures</b> in accordance with the decision of the competent environment or human rights body.</p> <p>You <b>cover the costs</b> of investigation, except in cases of repetitive grievances decided already in your favour previously, in which case the party that loses the case <b>must cover the costs</b>.</p>
<b>Year 0</b>	
<p><b>Guidance:</b> Fairtrade International's local support staff can be consulted for advice and guidance in case of grievance issues. You are encouraged to put aside a fund as a provision for risk and to cover any eventual expenses related to grievance procedures.</p>	

### 1.3.5 Local sustainable development

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>play an active role</b> in planning and promoting local sustainable development.
<b>Year 3</b>	This includes actively engaging with entities and people including in areas that are <b>not</b> part of the system of production, but are part of the surrounding overall mining community.
<p><b>Guidance:</b> In the surrounding mining community that is not part of the system of production, you may for example:</p> <ul style="list-style-type: none"> <li>• collaborate with other community groups and their authorities to monitor and sustainably manage forest areas within your area of influence, or to define the protected areas;</li> <li>• develop efforts to monitor the situation of vulnerable groups (including for example women, children, young people, migrants, etc.); or</li> <li>• develop efforts to monitor and campaign against amalgam burning within inhabited areas, and only within well-defined sites.</li> </ul>	

### 1.3.6 Integration of vulnerable groups

<b>Applies to:</b> ASMO	
<b>Dev</b>	<p>You <b>make</b> all reasonable <b>efforts</b> to integrate vulnerable groups (women mineral selectors, young people, migrants, people with disabilities, etc.) into your System of Production.</p>
<b>Year 3</b>	
<p><b>Guidance:</b> It is the intent of the standard to engage self-employed women mineral selectors to sell into the Fairtrade market. Even if they do not belong to your System of Production, they are a priority group which should benefit from responsibilities and activities in the mining community. These activities could be reflected in the Fairtrade Development plan. (<a href="#">see requirement 4.1.7</a>)</p>	



**1.3.7 NEW 2015 No support to armed groups**

<b>Applies to:</b> ASMO	
<b>Core</b>	You do not provide direct or indirect support to armed groups or their affiliates. You do not directly or indirectly cause, tolerate or benefit from any acts of armed violence or serious human rights abuses such as human trafficking and slavery.
<b>Year 0</b>	
<b>Guidance:</b> According to the OECD Guidance, “direct or indirect support” to armed groups or their affiliates includes making payments to them or providing them with any kind of financial support, or logistical assistance or equipment.	

**1.3.8 NEW 2015 Conflict minerals and human rights policy**

<b>Applies to:</b> ASMO	
<b>Core</b>	You have a conflict minerals and human rights policy.
<b>Year 0</b>	<p>The conflict minerals and human rights policy includes as a minimum the following principles, applying explicitly both within your own operations and those of third parties which you do business with:</p> <ul style="list-style-type: none"> <li>• no abuse, torture, cruel or inhumane treatment</li> <li>• no forced or compulsory labour</li> <li>• no worst forms of child labour</li> <li>• no human rights abuses and violations such as sexual violence</li> <li>• no war crimes, crimes against humanity, genocide or other serious violations of international humanitarian law</li> <li>• no direct or indirect or indirect support of armed groups</li> <li>• no direct or indirect support of private or public security forces illegally controlling the mines sites</li> <li>• no bribery, or money laundering</li> <li>• no fraudulent misrepresentation of origin of minerals</li> </ul> <p>This policy also:</p> <ul style="list-style-type: none"> <li>• includes information on risk mitigation measures and on the due diligence measures to be conducted to ensure you apply your conflict minerals and human rights policy;</li> <li>• refers to the grievance mechanism defined in requirement 1.3.3 (for external parties to report on violations or abuses); and</li> <li>• lays out a mechanism for your miners and workers to report on violations or abuse.</li> </ul>



1.3.9 NEW 2015 Risks identification

<b>Applies to:</b> ASMO	
<b>Core</b>	You identify and assess:
<b>Year 0</b>	<ul style="list-style-type: none"> <li>• whether you are operating in a conflict-affected or high risk area or an area where human rights violations occur; and</li> <li>• whether there are risks regarding the violations of the principles in your conflict minerals and human rights policy (e.g. direct or indirect financing of or support to armed groups or illegal activities<sup>3</sup> within your System of Production).</li> </ul>
<p><b>Guidance:</b> To detect if you are operating in a conflict-affected or high risk area, or whether there are risks regarding the direct or indirect financing or support of armed groups or illegal activities, you may use different indicators/information sources, such as:</p> <ul style="list-style-type: none"> <li>• “Red flags” listed in the OECD DDG: <a href="http://www.oecd.org/investment/mne/GuidanceEdition2.pdf">http://www.oecd.org/investment/mne/GuidanceEdition2.pdf</a></li> <li>• The Conflict Barometer produced by the Heidelberg Institute for International Conflict research<sup>4</sup>: <a href="http://www.hiik.de/en/">http://www.hiik.de/en/</a></li> <li>• UN Security Council Resolutions and Peacekeeping Operations</li> <li>• US State Department “Conflict Minerals Map” and associated reports required by the Dodd Frank Act</li> <li>• US State Department Country Reports on Human Rights Practices</li> <li>• Geneva Academy indicators for conflict- affected and high- risk areas</li> <li>• Guidance from its buyers, interviews with workers, miners, local NGOs, etc.</li> </ul>	

1.3.10 NEW 2015 Risk management

<b>Applies to:</b> ASMO	
<b>Core</b>	If, after completing the requirement 1.3.9, you :
<b>Year 1</b>	<ul style="list-style-type: none"> <li>• identify that you operates in a conflict- affected or high risk affected area; or</li> <li>• detect risks regarding the direct or indirect financing or support of armed groups, risks of human rights abuses, or illegal activities within its System of Production;</li> </ul> <p><u>Then</u> you put a risk management system<sup>5</sup> in place. This includes:</p> <ul style="list-style-type: none"> <li>• assigning a senior staff member as responsible for managing the due diligence on direct or indirect support of armed groups and human rights abuses;</li> <li>• conducting the regular risk assessments</li> <li>• conducting unannounced spot-checks of all areas and facilities in the System of Production, as part of the Internal Control System( ICS);</li> <li>• conducting regular awareness-raising sessions with staff on how to report on eventual conflict- related issues or human rights abuses.</li> </ul>

<sup>3</sup> As mentioned in 1.3.9

<sup>4</sup> <http://www.hiik.de/en/>

<sup>5</sup> 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>



**Guidance:** A risk management system allows you to monitor risks and detect them at an early stage. Other measures you can put in place to strengthen your risk management system and reassure buyers include conducting background checks before admitting new members, regularly checking the capacity of the System of Production against actual production, and the capacity of on-site processing facilities against actual output. If human rights violations or direct or indirect support to armed groups occur, you will be suspended from Fairtrade certification, if you have not taken appropriate measures to mitigate and prevent future such violations.

### 1.3.11 NEW 2015 Reporting on due diligence measures

**Applies to:** ASMO

<b>Core</b>	<u>If</u> , after completing the requirement 1.3.9 , you:
<b>Year 1</b>	<p>identify that you operate in a conflict- affected or high risk affected area; or</p> <ul style="list-style-type: none"> <li>detect risks regarding the direct or indirect financing or support of armed groups, risks of human rights abuses, or illegal activities within its System of Production;</li> </ul> <p><u>Then</u> you <b>report</b> to interested stakeholders and commercial partners on the due diligence and risk management measures it has taken. This report must not contain commercially sensitive or confidential business information or information which creates a security risk for you. To this purpose, a non-disclosure agreement may be signed.</p> <p>The information <b>responds to the data needs</b> of interested stakeholders in order to allow third parties to evaluate the due diligence and risk measures taken, as per the OECD Due Diligence Guidance.</p>

### 1.3.12 NEW 2015 Preventive and remediation measures

**Applies to:** ASMO

<b>Dev</b>	<u>If</u> after completing the requirement 1.3.9, you:
<b>Year 3</b>	<ul style="list-style-type: none"> <li>identify that you operates in a conflict- affected, or high risk-affected area; or</li> <li>detect risks regarding the violations of the principles in the conflict minerals and human rights policy (including direct or indirect financing or support of armed groups or illegal activities within its System of Production);</li> </ul> <p><u>then</u> you set up <b>preventive measures</b> proportionate to the risk that was manifested or an appropriate <b>remediation project</b>. This may be at the individual or community level. This can be a community based project on conflict-related issues, or with conflict affected stakeholders, or a project conducted with appropriate partner(s) including commercial partners, to understand the roots and causes of the event, and its effects on the miners and its community including on the individuals that endured it.</p>

## 1.4 Relationship with local communities



**Intent:** ASMO activities might interfere with the broader local communities<sup>6</sup>. Especially if indigenous groups are living in the area permanently or are using the area or the resources temporarily, their rights must be respected. ASMOs shall therefore contribute to maintaining or enhancing the social and economic well-being of local communities and identify and uphold their legal and customary rights to ownership, use and management of land, territories and resources affected by the ASMO activities.

1.4.1 **NEW 2015** Identification of local communities

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>identify</b> local communities, including indigenous groups that are affected by your activities.
<b>Year 0</b>	

1.4.2 **NEW 2015** Protection of land rights

<b>Applies to:</b> ASMO	
<b>Core</b>	If you identify local communities that can be affected by your mining activities, you identify, recognize and protect their <b>customary and legal rights of land tenure</b> , access to <b>land resources</b> and territories, through an engagement process.
<b>Year 0</b>	For Indigenous groups in particular, you are in full alignment with the <a href="#">ILO Convention C169</a> (Indigenous and Tribal Peoples Convention), Part II and the “ <a href="#">Voluntary Guidelines on the Responsible Governance of Tenure</a> as defined by the Committee on World Food Security-Food and Agricultural Organization (CFS-FAO) in May 2012 ( <a href="http://www.fao.org/nr/tenure/voluntary-Guidelines/en/">http://www.fao.org/nr/tenure/voluntary-Guidelines/en/</a> )
<b>Guidance:</b> “Legitimate right to land use” means that the ASMO has appropriate official documentation demonstrating legal rights to the land. Disputes on land are resolved responsibly and transparently before certification can be granted. In cases where land claims and disputes are on-going, there is evidence that a legal resolution process is active.	

1.4.3 **Binding agreements with affected communities**

<b>Applies to:</b> ASMO	
<b>Core</b>	If you identify local communities that can be affected by your mining activities, you set up a <b>binding agreement</b> through <b>Free, Prior and Informed consent</b> . The agreement defines duration, provisions for renegotiation, renewal, termination, economic conditions and other terms and conditions. The agreement makes provisions for monitoring by local communities of your compliance with its terms and conditions.
<b>Year 0</b>	

1.4.4 **NEW 2015** Sites of special significance

<sup>6</sup> Local communities include traditional groups that are not indigenous, who do not self-identify as indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use (Source: Forest Peoples Programme (Marcus Colchester, 7 October 2009))



<b>Applies to:</b> ASMO	
<b>Core</b>	Through engagement with local communities, you identify sites which are of <b>special cultural, ecological, economic, religious or spiritual significance</b> and for which these communities hold legal or customary rights. You and your management recognise and/or protect these sites through engagement with these local communities.
<b>Year 0</b>	

#### 1.4.5 **NEW 2015** Traditional knowledge

<b>Applies to:</b> ASMO	
<b>Dev</b>	You uphold the rights of local communities to protect and utilize their <b>traditional knowledge</b> and compensate them for the utilization of such knowledge and their <b>intellectual property</b> . A binding agreement exists between you and the local communities for such utilization through Free, Prior and Informed Consent and must be consistent with the protection of intellectual property rights.
<b>Year 6</b>	



## 2. Trade

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**Intent:** This chapter outlines the rules you need to comply with when you sell Fairtrade certified gold and precious metals from your organization or company.

All traders also have to comply with the Fairtrade Trader Standard, which can be found at <http://www.fairtrade.net/trade-standard.html>.

In cases where this standard differs from the Fairtrade Trade Standard, the requirements presented in this standard apply.

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This standard covers precious metals produced from primary (hard-rock), secondary (placer) and tertiary (tailings and spoil heaps) deposits. Fairtrade precious metals includes gold (Au), and also silver (Ag) and platinum (Pt) when found and produced as by-products alongside certified gold.

Intermediate products such as gold impregnated with activated carbon from leaching or “doré” alloys (very low fineness gold bars) can also be certified against this standard. The processing of these intermediate products, and in some cases further enrichment (refining), can be undertaken by the ASMO in order to add value to their product, or by downstream operators buying from the miners.

In this section, there are additional requirements for Fairtrade “ecological” precious metals. These additional requirements are outlined in chapter 3.2 in the sub-chapter “Ecological gold, silver and platinum”. On top of all these additional rules, all other requirements of this standard apply to the Fairtrade “ecological” precious metals.

Lastly, as the product is the Fairtrade certified metal used as a component for manufacturing the final consumer product, this standard does not cover manufacturing in detail. Instead, the standard outlines composite rules and requires all involved operators to be certified operators.

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### 2.1 Traceability

**Intent:** Traceability requirements are intended to protect operators and consumers through the Fairtrade labelling and stamping scheme.

Requirements in this section ensure that the authenticity of Fairtrade precious metal can be verified, traced back to the miners through documentation, and that the product is physically separate and identifiable from non-Fairtrade products.

Physical and/or documentary traceability requirements assure the customer that the correct quantity of Fairtrade Precious Metal was mined according to this standard by one or more ASMOs, and that the purchase of the consumer product provides immediate benefits to the ASMO(s).

Under the Gold Sourcing Program, Fairtrade Precious Metal can be mass-balanced by refiners. This program shall support the development of a volume market for ASMOs, and to secure maximum benefits through the payment of the Fairtrade Premium and minimum Price. Fairtrade Precious Metal that is mass-balanced is not permitted to be labelled as Fairtrade in any consumer or public facing communication or marketing.

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This section also intends to give guidance to traders on how to source from responsible mining organizations, particularly in the context of conflict- affected and high risk areas.<sup>7</sup>

This section also gives guidance to traders on how to source or process mining responsibly, particularly in the context of conflicts- affected and high risk areas. Mining can take place in or could support current 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 rights abuses. Therefore, this section 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.<sup>8</sup>

### 2.1.1 Physical segregation of metals

<b>Applies to:</b> ASMO	
<b>Core</b>	Minerals sold as Fairtrade come from you and your members. Metal, metal ore, minerals and tailings from non-registered miners or areas <b>are kept separate</b> from Fairtrade metal and are not be sold as Fairtrade metal. The entire volume of Fairtrade Precious Metal produced by your System of Production <b>must be physically traceable</b> .  Joining, blending and consolidating of two or more certified volumes of mineral or intermediate products from two or more certified ASMOs or registered miners for the purpose of joint processing is allowed.
<b>Year 0</b>	
<b>Guidance:</b> In order to guarantee the traceability of the minerals, and prevent the introduction of non-certified material into your supply chain, you could set up and use an Internal Control System (ICS), as a tool to prove the origin of the ore, concentrates and final products.	

### 2.1.2 Traceability of transactions

<b>Applies to:</b> ASMO, ASMO members, and traders	
<b>Core</b>	All transactions <b>are fully traceable</b> and are subject to full compliance to physical traceability requirements for Fairtrade precious metal destined for labelled product.
<b>Year 0</b>	
<b>Guidance:</b> This requirement applies to traceability during trade, transport and processing. This includes unique reference number and indication of date for each input and output.	

### 2.1.3 Documentary traceability

<sup>7</sup> <http://www.oecd.org/investment/mne/GuidanceEdition2.pdf>

<sup>8</sup> <http://www.oecd.org/investment/mne/GuidanceEdition2.pdf>



<b>Applies to:</b> ASMO and traders	
<b>Core</b>	On top of the physical traceability, documentary traceability <b>is ensured</b> by any operator at any point of the supply chain by using an identification mark on all related documentation.
<b>Year 0</b>	<p>You <b>clearly indicate</b> traceability with an identification mark on the related documentation (such as contracts, delivery notes and invoices).</p> <p>You ensure that you and the certification body will be able to trace:</p> <ul style="list-style-type: none"> <li>• the seller of the product;</li> <li>• the physical form of the product when transacted (purchase and sale);</li> <li>• the alterations performed and relevant yields;</li> <li>• disposals;</li> <li>• quantities bought and sold (one up – one down);</li> <li>• dates of transactions; and</li> <li>• proof of payment of Fairtrade Minimum Price, Premium, Ecological Premium, and pre-financing (where applicable).</li> </ul>

#### 2.1.4 Physical traceability in case of owned processing

<b>Applies to:</b> ASMO, ASMO members	
<b>Core</b>	If you lease or hire third party owned equipment for mineral processing, complete physical traceability of the gold <b>is ensured</b> .
<b>Year 0</b>	

#### 2.1.5 Traceability in case of third party processing

<b>Applies to:</b> ASMO, ASMO members	
<b>Core</b>	If you need to contract third party operators to process your minerals or to perform further enrichment of intermediary products, they make efforts towards complying fully with physical traceability requirements. If full compliance with physical traceability requirements imposes disproportional costs, you submit a request to the certificate holder for an exemption from physical traceability requirements. You inform the gold project manager of Fairtrade International ( <a href="mailto:gold-pm@fairtrade.net">gold-pm@fairtrade.net</a> ) and the buyer of any exemptions granted.
<b>Year 0</b>	
<p><b>Guidance:</b> Subcontracted service providers (such as processors) are subject to physical audits for which you have the responsibility.</p> <p>Furthermore, physical traceability has to be assured as long as the associated costs do not exceed proportionally the benefits for your ASMO through the Premium. Indicators for such disproportional costs are based on the average LMBA price: <a href="http://www.lbma.org.uk/stats/goldfixg">http://www.lbma.org.uk/stats/goldfixg</a>. In case of exemption from physical traceability of a processing step, you or your miners must be in physical possession of the product before and after the exempted processing step and exact mass balance (input equals output, minus the process losses) must be assured.</p>	

#### 2.1.6 Traceability in case of ecological precious metals



Applies to: ASMO producing ecological precious metals	
<b>Core</b>	In case of ecological precious metals you separate the ecological precious metals from any other metals, including other Fairtrade certified precious metals. <b>You clearly indicate</b> the identity of the ecological precious metals on any related documentation such as contracts, delivery notes and invoices.
<b>Year 0</b>	
<b>Guidance:</b> The products may be sold as “Fairtrade” or “Fairtrade Ecological”.	

### 2.1.7 Traceability in processing

<b>Applies to:</b> Traders	
<b>Core</b>	Any process of further enrichment or manufacturing that leads to a consumer labelled product is physically traceable.
<b>Year 0</b>	

### 2.1.8 Physical segregation

<b>Applies to:</b> Traders	
<b>Core</b>	You <b>segregate</b> these products and ensure they are physically traceable.
<b>Year 0</b>	

### 2.1.9 Traceability in the Gold Sourcing Program

<b>Applies to:</b> Traders	
<b>Core</b>	<b>If you purchase</b> Fairtrade precious metal under the Gold Sourcing Program model, <b>the metal</b> is physically traceable from a certified ASMO up <b>to the point of manufacturing including refining.</b>
<b>Year 0</b>	

## 2.2 Product composition

**Intent and scope:** While the scope of this standard covers exclusively Fairtrade precious metals, the product that bears the FAIRTRADE Mark is the final consumer product, which may contain other components than only the certified precious metals. The intent of this section is that the certified precious metal is a significant component of the labelled final consumer product.

### 2.2.1 Final consumer products

<b>Applies to:</b> Traders
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<b>Core</b>	Your final consumer products labelled as Fairtrade and/or Fairtrade ecological gold, silver or platinum is one of the following:
<b>Year 0</b>	<ul style="list-style-type: none"> <li>• jewellery and semi-finished jewellery components;</li> <li>• coins, ingots and bullion products of commemorative and/ or financial nature;</li> <li>• medals and trophies; and</li> <li>• religious artefacts</li> </ul>

### 2.2.2 Authorization to use the FAIRTRADE Mark

<b>Applies to:</b> Traders	
<b>Core</b>	You have authorization from Fairtrade International or a National Fairtrade Organization to use the FAIRTRADE Mark on the final product.
<b>Year 0</b>	

### 2.2.3 Minimum caratage

<b>Applies to:</b> Traders	
<b>Core</b>	The minimum caratage of Fairtrade certified precious metal that you use in your final product <b>complies</b> with the national legislation of the country in which they are being sold. Products
<b>Year 0</b>	<b>also conform</b> with the internationally recognised product description laid out in the World Jewellery Confederation, 'BLUE Book – Precious Metals Book – terminology and classification'.

### 2.2.4 Jewellery components

<b>Applies to:</b> Traders	
<b>Core</b>	Where jewellery components cannot be fully sourced from a Fairtrade certified precious metal source, you <b>are permitted</b> to use non-certified metals in following components of the final piece of jewellery:
<b>Year 0</b>	<ul style="list-style-type: none"> <li>• Earring scrolls</li> <li>• Catches (bolt rings, trigger clasps, swivels, bayonets)</li> <li>• Chains (as long as it does not exceed fifteen per cent of the total precious content on the finished jewellery items)</li> <li>• Brooch backs, catches, joints and pins</li> <li>• Solder and alloys</li> </ul>

### 2.2.5 Metal composition

<b>Applies to:</b> Traders	
<b>Core</b>	The certified precious metals you use in commemorative coins, ingots, medals, trophies and



<b>Year 0</b>	religious artefacts, <b>constitute</b> one hundred per cent of the metal.
<b>Guidance:</b> Plated (gilded) medals or trophies consisting of other metals in their interior or in other ornamental parts cannot be sold as Fairtrade.	

### 2.3 Responsible sourcing and market information

**Intent:** Trading in precious metals is a matter of trust. Long-term relationships between miners and buyers under clear rules, and openly exchanged sourcing and production plans, allow building these mutual trust relations – and enable the ASMO to improve their operations in the long-term.

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.

#### 2.3.1 NEW 2015 No support to armed groups

<b>Applies to:</b> Traders	
<b>Core</b>	You <b>do not provide direct or indirect support to armed groups or their affiliates</b> , in neither your own Fairtrade operations nor those of your suppliers.
<b>Year 0</b>	You do not directly or indirectly, cause, tolerate or benefit from any acts of armed violence or <b>serious human rights abuses</b> such as human trafficking and slavery, in your own operations or those of your suppliers.
<b>Guidance:</b> According to the OECD Guidance, “direct or indirect support” to armed groups or their affiliates includes making payments to them or providing them with any kind of financial support, or logistical assistance or equipment.	

#### 2.3.2 NEW 2015 Conflict minerals and human rights policy

<b>Applies to:</b> Traders	
<b>Core</b>	The conflict minerals and human rights policy includes as a minimum the following principles,



<b>Year 0</b>	<p>stating that they apply both within the operator’s own operations and those of its subcontractors:</p> <ul style="list-style-type: none"> <li>No abuses, torture, cruel or inhumane treatment</li> <li>No forced or compulsory labour</li> <li>No worst forms of child labour</li> <li>No human rights abuses and violations such as sexual violence</li> <li>No war crimes, crimes against humanity, genocide or other serious violations of international humanitarian law</li> <li>No direct or indirect or indirect support of non-state armed groups</li> <li>No direct or indirect support of private or public security forces illegally controlling the mines sites</li> <li>No bribery, or money laundering</li> <li>No fraudulent misrepresentation of origin of minerals</li> </ul> <p>This policy includes information on the due diligence measures to be conducted to ensure its application.</p>
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**2.3.3 NEW 2015 Transport control procedure**

Applies to: Traders	
<b>Core</b>	Your conflict minerals and human rights policy includes or refers to a procedure regulating control of the gold and precious metal during transport.
<b>Year 0</b>	
<p><b>Guidance:</b> This procedure 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.</p>	

**2.3.4 Identification of risks**

Applies to: Traders	
<b>Core</b>	<p>You identify and assess:</p> <ul style="list-style-type: none"> <li>whether you purchase Fairtrade gold or precious metal from a supplier located in a conflict-affected or high risk area; and</li> <li>whether there are risks regarding the direct or indirect financing or support of armed groups, human rights abuses or illegal activities within your own operations.</li> </ul>
<b>Year 0</b>	
<p><b>Guidance:</b> To detect these risks, you may use different indicators/information sources, such as:</p> <ul style="list-style-type: none"> <li>• “Red flags” listed in the OECD DDG</li> <li>• The Conflict Barometer produced by the Heidelberg Institute for International Conflict research<sup>9</sup></li> <li>• UN Security Council Resolutions and Peacekeeping Operations 10</li> <li>• US State Department “Conflict Minerals Map” and associated reports required by the Dodd Frank Act.</li> <li>• US State Department Country Reports on Human Rights Practices.</li> <li>• Geneva Academy indicators for conflict- affected and high- risk areas</li> </ul> <p>If it exists, this information may be passed on by the ASMO (see requirement 1.3.11) but you are still responsible for due diligence on conflict-minerals, as laid out on this requirement.</p>	



### 2.3.5 Risk management

<b>Applies to:</b> Traders	
<b>Core</b>	<p>If, after completing requirement 2.3.4, you:          identify that they purchase the gold or precious metal from a supplier located in a conflict-affected or high risk area;          or          detect risks regarding the direct or indirect financing or support of armed groups, or illegal activities within your own operations;          then you put a risk management system in place. This includes:          assigning a senior staff member as responsible for managing the due diligence on direct or indirect support of conflicts and of human rights abuses;          conducting regular risk assessments as per the requirement above;          conducting unannounced spot-checks of all areas and facilities your supply chains; and          conducting regular awareness-raising sessions with staff on how to report on eventual conflict-related issues or human rights abuses.</p>
<b>Year 1</b>	

### 2.3.6 **NEW 2015** Reporting on due diligence measures

<b>Applies to:</b> Traders	
	<p>If, after completing the requirement 2.3. 4, you:          identify that you purchase Fairtrade gold or precious metals from a supplier in a conflict-affected or high risk affected area; or          or          detect risks regarding the direct or indirect financing or support of armed groups, s , human rights abuses, or illegal activities;          then you report to interested stakeholders and commercial partners on the due diligence and risk management measures taken. This report must not contain commercially sensitive or confidential business information or information which creates a security risk for the trader. A non-disclosure agreement may be signed.</p>
<b>Core</b>	
<b>Year 1</b>	

### 2.3.7 **NEW 2015** Preventive measures and remediation projects

<b>Applies to:</b> Traders
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<b>Dev</b>	You support the ASMO in setting up preventive measures or appropriate remediation projects (as per requirement 1.3.13).
<b>Year 3</b>	

### 2.3.8 Annual production plan

<b>Applies to:</b> ASMO and traders	
<b>Core</b>	You <b>provide</b> your Fairtrade business partners with your indicative annual production plan of Fairtrade precious metal.
<b>Year 0</b>	

### 2.3.9 Documentary transparency

<b>Applies to:</b> ASMO and traders	
<b>Core</b>	You <b>document</b> (on paper or in electronic copy all Fairtrade transactions along the supply chain, from the certified ASMO through to the final labelled product or to the point of mass balancing.
<b>Year 0</b>	

### 2.3.10 Signed agreements

<b>Applies to:</b> ASMO and traders	
<b>Core</b>	You <b>sign</b> the agreements that guarantee transparency for all Fairtrade transactions.
<b>Year 0</b>	

### 2.3.11 Content determination and arbitration procedures

<b>Applies to:</b> ASMO and traders	
<b>Core</b>	You <b>define</b> the precious metals content determination and arbitration procedures in the purchase contract in line with existing practice in the sector.
<b>Year 0</b>	

### 2.3.12 Trial period

<b>Applies to:</b> ASMO and traders	
<b>Core</b>	For new trading relationships, the ASMO and the buyer may agree on a trial period. This trial





<b>Year 0</b>	period <b>does not exceed</b> two consignments.
<b>Guidance:</b> During a trial period, buyers are encouraged, but not obliged, to provide pre-financing to the ASMO for each consignment.	

### 2.3.13 Third party operator

<b>Applies to:</b> ASMO	
<b>Core</b>	If you have no trade function or export permit, then you <b>may contract</b> a third party operator (which can be a local trader) to implement and administrate all requirements related to trade, export and traceability on your behalf and under your responsibility. You are then accountable for the third party' activities.
<b>Year 0</b>	

### 2.3.14 Shipment orders

<b>Applies to:</b> Traders	
<b>Core</b>	Shipment orders specify the quantity and assumed purity of metal per shipment.
<b>Year 0</b>	

### 2.3.15 Bonded agreements

<b>Applies to:</b> Traders	
<b>Core</b>	You do not make the purchase of certified precious metals conditional on the sale of a quantity of non-certified product under terms that are distinctly disadvantageous to the miners .
<b>Year 0</b>	

### 2.3.16 Report of transactions with miners

<b>Applies to:</b> Traders	
<b>Core</b>	You provide the ASMO with a report of all transactions with its miners, in case you trade directly with miners.  Reports are submitted for each transaction as soon as final payments are made and must include: <ul style="list-style-type: none"> <li>• date of transaction;</li> <li>• volume of precious metal bought; and</li> <li>• amount of applicable Fairtrade premium paid.</li> </ul>
<b>Year 0</b>	
<b>Guidance:</b> Reports of transaction with miners from the ASMOs System of Production enable the ASMO to consolidate and control volumes sold in its Internal Control System and to record Premium monies received by miners on behalf of the ASMO.	

## 2.4 Use of the Fairtrade trademark



### 2.4.1 Fairtrade Gold Mark Use Guidelines

<b>Applies to:</b> ASMO and traders	
<b>Core</b>	All artwork with a FAIRTRADE Mark on any product packaging and in any other communications must comply with the applicable “Fairtrade Gold Mark Use Guidelines” and must be approved in writing prior to use by a National Fairtrade Organization or by Fairtrade International.
<b>Year 0</b>	
<b>Guidance:</b> Artwork can be product packaging and promotional materials as well as any print (brochures) and electronic media (websites) For further explanation and guidance, you can contact the Fairtrade Artwork Coordinator directly: <a href="mailto:artwork@fairtrade.net">artwork@fairtrade.net</a>	

### 2.4.2 Labelling and communication policies in Gold Sourcing Program

<b>Applies to:</b> Traders	
<b>Core</b>	If you purchase Fairtrade precious metals purchased under the Gold Sourcing Program, you <b>conform</b> to the labelling and communications policies stipulated in any contractual agreements with Fairtrade International or authorised licensing partners.
<b>Year 0</b>	
<b>Guidance:</b> Products that are produced as a result of the Gold Sourcing Program are not eligible for product labelling or consumer facing marketing, so as to protect the integrity of the labelled traceable supply chain.	

### 2.4.3 FAIRTRADE mark on label/stamp

<b>Applies to:</b> Traders	
<b>Core</b>	The label and/or stamp on the final consumer product <b>indicates</b> clearly that the precious metal is certified as Fairtrade gold, silver or platinum, in line with Fairtrade International labelling rules for precious metals.

## 3. Production

**Intent:** This chapter outlines the ethical and sustainable production practices that are behind every Fairtrade product.

### 3.1 Management of production practices

**Intent:** This section intends to ensure the continued compliance of the members of the ASMO. The requirements in this section apply to the ASMO and its registered miners that are part of the System of Production.

#### 3.1.1 Definition of System of Production



<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>define</b> your System of Production which includes a complete register of all participating miners, including areas, processing units (domestic and industrial), external service providers, and a mining plan which indicates clearly where mining and processing activities take place. The register must contain declaration numbers, concession numbers and other relevant official data.
<b>Year 0</b>	
<p><b>Guidance:</b> The System of Production has an integrative function. Its aim is to facilitate organizational capacity building, cooperation and identification of the members.</p> <p>The System of Production includes all areas in which you have a legal authority:</p> <ul style="list-style-type: none"> <li>• the ASMO or its miners have or are granted land-rights;</li> <li>• the ASMO or its miners have or are granted mining rights;</li> <li>• the ASMO or its miners own domestic or industrial (medium-scale mechanised) mineral processing facilities (if applicable). <ul style="list-style-type: none"> <li>• The ASMO or its contracted third party operators and export agents</li> </ul> </li> </ul> <p>The System of Production supports the ASMO to define exclusions and inclusions of areas, communities, miners and processing units.</p> <p>The System of Production is:</p> <ul style="list-style-type: none"> <li>• a written description which maps the mining community, the areas, mines and processing facilities used by the ASMO, its registered miners, as well as the areas and miners which are excluded from the scope of the ASMO (areas and/or miners excluded from the System of Production are entirely excluded from the Fairtrade supply chain); and</li> <li>• a mapping tool for the internal supply chain of Fairtrade minerals;</li> </ul> <p>The System of Production also describes the involvement of different technical elements or units in the internal supply chain. It clearly describes the level of control, and therefore responsibility that the ASMO has over third-party owned and operated infrastructure (e.g. processing plants) used for the production process.</p>	

### 3.1.2 Internal Control System

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>establish</b> an Internal Control System (ICS) covering all volume and sales into the Fairtrade supply chain that ensures exclusion of precious mineral, or tailings from non-registered miners, areas and processing units.
<b>Year 3</b>	

### 3.1.3 Regular monitoring

<b>Applies to:</b> ASMO	
<b>Core</b>	The ICS <b>includes</b> regular monitoring of the assigned areas where miners operate. Regular monitoring is be made and includes random visits to check who is working in designated areas and monitoring the daily delivery to processing facilities. Such visits are done by authorized persons (supervisor/ shift leader). You record frequency, dates and irregularities.
<b>Year 3</b>	

### 3.1.4 Internal Control System in processing facilities

<b>Applies to:</b> ASMO	
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<b>Core</b>	All processing facilities <b>have</b> a documented Internal Control System (ICS) available onsite. All data is documented in a central ICS. Minimum requirements are:
<b>Year 3</b>	<ul style="list-style-type: none"> <li>• a list of all miners and processing units that deliver gold minerals, and tailings to them, signed by the responsible person with ID card No;</li> <li>• delivery date;</li> <li>• delivered amount;</li> <li>• area of origin, assigned by you to the miners' groups (name, description);</li> <li>• gold content;</li> <li>• laboratory results (if applicable);and</li> <li>• the payment of price and premium (if applicable onsite).</li> </ul>

### 3.1.5 Formal structure

<b>Applies to:</b> ASMO	
<b>Core</b>	You and all organizations of your System of Production <b>have</b> a formal and transparent structure in place. This formal structure can then become a legal one, following the respective legislation applicable for the specified type of organization.
<b>0</b>	

### 3.1.6 Legal financial control

<b>Applies to:</b> ASMO	
<b>Core</b>	You and all organizations of your System of Production <b>have</b> legal financial control over all operations.
<b>Year 1</b>	



### 3.2 Environmental protection

**Intent:** This section intends to ensure that the most significant risks and negative environmental impacts of ASM are progressively minimized. These 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 this standard is to drive ASM towards environmental responsibility and continual environmental improvement. Furthermore, the standard reflects that responsible mining is also a vision of artisanal mining without environmental contamination and with full ecological restoration, and entails avoiding rush-type mining and invasion of protected areas.

#### Management of toxic substances

**Intent:** The intent of this section is to set out a process to support ASMOs to minimize or eradicate (as appropriate) the use of mercury and cyanide over an agreed period of time, through implementation of responsible practices and technologies to mitigate the impact on the environment and human health.

Fairtrade recognises the difficulties in eliminating the high risk chemicals mercury<sup>11</sup> and cyanide in mineral recovery. Therefore, an Ecological Premium is offered on top of the Fairtrade Premium for ASMOs who chose to eliminate mercury and cyanide altogether, using only non-toxic processes (e.g. gravimetric methods, borax) for gold recovery, and developing low-impact mining in areas of high biodiversity.

In jurisdictions where mercury and/or cyanide use is prohibited for ASM by law, national and local legislation prevails.

#### 3.2.1 Gold recovery without mercury

<b>Applies to:</b> ASMO	
<b>Core</b>	You do not use mercury if gold recovery without mercury is commercially and technically possible.
<b>Year 3</b>	
<b>Guidance:</b> You could develop a technical and financial plan in order to remove the mercury from its processes.	

<sup>11</sup> At the time of the publication of this Standard, Fairtrade International is working on a mercury intervention programme that will be able to respond quickly and efficiently to accelerate the removal of mercury from the Fairtrade supply chain for gold and precious metals.



3.2.2 **NEW 2015** Limited designated areas for mercury use

<b>Applies to:</b> ASMO	
<b>Core</b>	Your use of mercury is <b>limited to designated areas</b> , and does not take place near river beds and other water bodies.
<b>Year 0</b>	

3.2.3 **NEW 2015** Protective equipment

<b>Applies to:</b> ASMO	
<b>Core</b>	Miners and workers handling mercury and cyanide use <b>adequate protective equipment</b> (gloves etc.).
<b>Year 0</b>	

3.2.4 **Protecting vulnerable workers**

<b>Applies to:</b> ASMO	
<b>Core</b>	Toxic and dangerous substances such as mercury, cyanide and acids <b>are never used or handled</b> by children under 18 years, pregnant or breastfeeding women, or persons diagnosed with mental deficiencies, or diseases of the gastrointestinal, urinary, nervous or respiratory systems.

3.2.5 **No whole ore amalgamation**

<b>Applies to:</b> ASMO	
<b>Core</b>	Whole ore amalgamation of gold with mercury is not allowed. A mercury-free concentration process <b>precedes</b> amalgamation. Concentration is done mechanically or manually.
<b>Year 0</b>	
<b>Guidance:</b> 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.	

3.2.6 **Amalgamation burning in designated premises**

<b>Applies to:</b> ASMO	
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<b>Core</b>	<p>Amalgam burning <b>does not take place</b> in homes or kitchens, or other indoor places where people without protection may be affected.</p> <p>Amalgam burning <b>is done</b> using recovery techniques such as retorts and other alternatives only in designated premises providing privacy and security, and with proper equipment and trained users.</p>
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### 3.2.7 **NEW 2015** Awareness raising on health risks with amalgam burning

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>raise awareness</b> among your members about the health risks related to amalgam burning.
<b>Year 1</b>	

### 3.2.8 **NEW 2015** Access to amalgam recovery installation

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>have a plan</b> on how to ensure that the miners from outside the System of Production have access to amalgam recovery installation.
<b>Year 6</b>	
<b>Guidance:</b> You can contact a development agency for support in implementing this project.	

### 3.2.9 **No nitric acid**

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>do not use</b> nitric acid for dissolving amalgam.
<b>Year 0</b>	

### 3.2.10 **Unprocessed amalgamated tailings**

<b>Applies to:</b> ASMO	
<b>Core</b>	Cyanide leaching of unprocessed amalgamated tailings is not allowed and <b>does not take place</b> . If amalgamated tailings are leached, mercury recovering gravimetric pre-processing precedes cyanidation.



### 3.2.11 No environmental contamination

<b>Applies to:</b> ASMO	
<b>Core</b>	The cyanide leaching plant <b>is constructed</b> in such a way that environmental contamination does not occur.
<b>Year 0</b>	

### 3.2.12 Training personal for cyanide leaching plant

<b>Applies to:</b> ASMO	
<b>Core</b>	Any cyanide leaching plant <b>is operated</b> by personnel trained in the safe and proper use of cyanide.

### 3.2.13 Alternative processing

<b>Applies to:</b> ASMO	
<b>Core</b>	If you use mercury in mineral processing, retorts or alternative recovery methods are <b>used</b> .
<b>Year 0</b>	

### 3.2.14 Trials with alternative processing methods

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have started trials</b> with alternative processing methods to minimise and eliminate the use of mercury in the recovery of gold.
<b>Year 3</b>	

### 3.2.15 Significant volume of alternatively processed gold

<b>Applies to:</b> ASMO	
<b>Core</b>	A significant volume of gold is processed with alternative processing methods.
<b>Year 6</b>	

### 3.2.16 Site for disposal of toxic substances





<b>Applies to:</b> ASMO	
<b>Core</b>	<b>You maintain</b> a safe site for the specific purpose of storage, use, and disposal of toxic and dangerous substances. This location <b>has</b> adequate conditions for safe storage and inventory keeping .Toxic and dangerous substances <b>are not stored</b> in residences.
<b>Year 0</b>	
<b>Guidance:</b> Toxic and dangerous substances include explosives, mercury, cyanide, acids and any other chemical substance. Adequate conditions include a ventilated building or structure with access by only trained persons.	

### 3.2.17 Instrument and tools

<b>Applies to:</b> ASMO	
<b>Core</b>	Instruments and tools used for any operations with mercury <b>are not used</b> in any other domestic activity.
<b>Year 0</b>	

### 3.2.18 Detoxification of cyanide solutions and tailings

<b>Applies to:</b> ASMO	
<b>Core</b>	If you use cyanide to recover gold, cyanide solutions and tailings, they are <b>detoxified</b> in a lined pond or tank before discharge.
<b>Year 0</b>	

### 3.2.19 No discharge in water bodies

<b>Applies to:</b> ASMO	
<b>Core</b>	Amalgamation and cyanidation tailings and solutions <b>are not discharged</b> into water, places susceptible to flooding, or where they can reach water bodies.
<b>Year 0</b>	
<b>Guidance:</b> 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." <sup>12</sup>	

<sup>12</sup> (<http://www.unep.org/chemicalsandwaste/Portals/9/Mercury/Documents/ASGM/UNIDO%20Guidelines%20on%20Mercury%20Management%20April08.pdf>)



### Protection of ecosystems

**Intent:** The aim of this section is to ensure that local ecosystems are protected and restored through the use of environmentally friendly technologies. This will occur through the promotion of improved environmental management practices by miners, through complying with environmental regulations, landscape restoration, hazard prevention, management of tailings, mitigation of Acid Mine Drainage (AMD), and water pollution prevention.

Fairtrade aims to minimize the negative impact of ASM in Environmentally Protected Areas and Critical Ecosystems, and neither supports nor endorses newcomer ASM in such areas.

Fairtrade excludes mining operations in Protected Areas and may exclude mining in critical ecosystems according to the procedure for Temporary Excluded Areas (TEA).

Particular attention is given to alluvial mining that even at small-scale level can have negative impacts on soil and rivers if not properly monitored.

#### 3.2.20 Environmental licenses and permits

<b>Applies to:</b> ASMO	
<b>Core</b>	All your mining operations and processing plants <b>comply</b> with national environmental laws and <b>have</b> valid environmental licenses, permits or management plans according to national legal requirements.
<b>Year 0</b>	

#### 3.2.21 Protection area

<b>Applies to:</b> ASMO	
<b>Core</b>	Your mining area <b>is not be located</b> in any area protected under national legislation where mining is not allowed.
<b>Year 0</b>	<p>If the mining area is located within such an area, you may apply for an exception only if:</p> <ul style="list-style-type: none"> <li>• you have an authorization from the relevant authority, stating that the mining activities are legal and compatible with the conservation and management objectives of the protected area;</li> <li>• you can provide evidence of an environmental impact assessment having been conducted in the past three years, as well as regular and on-going environmental monitoring activities;</li> <li>• your application for Fairtrade certification includes an environmental mitigation plan; and</li> <li>• you have a positive track record, having operated with a legal permit and under the monitoring of local authorities for at least five years.</li> </ul>

#### 3.2.22 Open-pit mines



<b>Applies to:</b> ASMO	
<b>Core</b>	If you have open pit mines, inclination of slopes and height of benches <b>do not exceed</b> limits generally considered safe for that type of soil or rock.
<b>Year 0</b>	
<b>Guidance:</b> Where slopes are not already specified in national legislation, slope angles should be determined by reference to similar artisanal mines nearby where slopes have not failed.	

### 3.2.23 No dumping of fuel residues

<b>Applies to:</b> ASMO	
<b>Core</b>	<b>You do not dump</b> fuel residues or their containers in water bodies or places where they can reach water bodies, or are susceptible to flooding. They are properly disposed of at places approved by the environmental protection agency or another equivalent body in the locality.
<b>Year 0</b>	

### 3.2.24 Environmental impact

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>evaluate</b> the environmental impact for any technological change and establish an environmental mitigation plan if appropriate.
<b>Year 1</b>	

### 3.2.25 Re-filling of open pits

<b>Applies to:</b> ASMO	
<b>Dev</b>	<b>If you created</b> open pits or underground mine apertures, you <b>refill or block them</b> sufficiently after the termination of extractive activities, to enable ecological regeneration and ensure hazard prevention.
<b>Year 3</b>	

### 3.2.26 Isolation of acid-forming materials

<b>Applies to:</b> ASMO	
<b>Dev</b>	Where mining could lead to acid mine drainage (AMD), you <b>employ</b> effective methods to isolate acid-forming materials from water.
<b>Year 3</b>	

### 3.2.27 No discharge of contaminated water

<b>Applies to:</b> ASMO	
<b>Core</b>	Tailings and contaminated water <b>are not discharged</b> into water bodies, or where they can



<b>Year 3</b>	reach water bodies, or in places susceptible to flooding and landslides.
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### 3.2.28 Waste management practices

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>implement</b> good waste management practices. Disposal of tailings, waste water <b>are properly planned and carried out</b> by experienced persons. Waste management is based on identified risks and planned within set timelines, measures and action points and <b>are documented</b> by the organization.
<b>Year 6</b>	

### 3.2.29 Disposal of chemicals

<b>Applies to:</b> ASMO	
<b>Dev</b>	Disposal of chemicals and chemically contaminated material is properly planned for. <b>The plan includes the use of protective equipment such as masks and filters.</b>
<b>Year 3</b>	
<b>Guidance:</b> The plan may include the pre-treatment of effluents, establishment of collection points at the site, disposal in designated area and other suitable measures.	

### 3.2.30 Rehabilitation and restoration

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>set up a planning process for rehabilitation and restoration of the intervened areas in perspective of closing mining operations.</b> It involves consultation with the local community, intended beneficiaries, and other impacted persons or organizations.  After the closure of mining operations, intervened areas are <b>rehabilitated</b> and <b>re-vegetated</b> in ways that enhance local biodiversity as appropriate for the native ecosystem and/or are converted to an alternative use in accordance with land planning priorities of the local community authorities.  The planning mention that rehabilitation <b>must occur</b> within two years of the conclusion of mining activities.
<b>Year 3</b>	

### 3.2.31 Rules for alluvial mining

<b>Applies to:</b> ASMO	
<b>Core</b>	In the case of alluvial mining, the ASMO and its members:



<b>Year 0</b>	<ul style="list-style-type: none"> <li>• only use <b>small- scale extraction techniques</b> (pumps, excavators), with a limited size and numbers</li> <li>• do not destroy rivers boards;</li> <li>• do not destroy rivers bed; and</li> <li>• do not damage ecosystems (including land, rivers and forests) or affect water quality</li> </ul>
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**3.2.32 NEW 2015 Distance from water bodies**

<b>Applies to:</b> ASMO	
<b>Core</b>	In the case of alluvial mining, amalgamation and/or cyanide use takes place 100 meters away from water bodies. Furthermore, amalgamation tailings are not discharged into a water body or in places susceptible to flooding.
<b>Year 0</b>	

**Ecological gold, silver and platinum**

**Intent:** This section provides for additional requirements for gold and associated precious metals produced under stringent environmental practices that include forest restoration in areas of high biodiversity and ecological restoration in any ecosystem. Only non-toxic processes (e.g. gravimetric methods) are accepted, with no mercury or cyanide.

ASMOs choosing to comply with the requirements in this section are eligible to an Ecological Fairtrade Premium. They should also conform to all other requirements in this standard. Procedures, roles and responsibilities for handling the Ecological Premium should be the same as handling the Fairtrade Premium.

The Fairtrade Ecological Premium compensates 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.

Traceability shall be ensured for ecological precious metals, which should be separated from the other Fairtrade certified metals (see requirement 2.1.9).

Also, Fairtrade mark guidelines include rules for labelling for ecological minerals to be complied with. (see requirement 2.4.2)

**3.2.33 No use of mercury or cyanide for mineral processing**

<b>Applies to:</b> ASMOs	
<b>Core</b>	You and your miners <b>do not use</b> mercury or cyanide for mineral processing. Only non-toxic processes, e.g. gravimetric methods, are used.
<b>Year 0</b>	



**Guidance:** Tailings from precious metal classified as ecological precious metal may be sold to industrial third party processing plants (outside the System of Production) for which you have proof of an appropriate, existing and implemented environmental management plan. In this case the gravimetrically recovered precious metal is certifiable as “Eco”, but the precious metal from the tailings is certifiable as Fairtrade only.

If you or your miners post-process the tailings with cyanide or mercury (which means the ASMO uses mercury or cyanide), even the purely gravimetrically recovered fraction is not certifiable as “Eco Fairtrade”. In this case the entire gold is certifiable as Fairtrade, but not “Eco Fairtrade”.

Another certified ASMO may acquire the right to mine these tailings (within its System of Production) and process them as regular Fairtrade precious metal.

### 3.2.34 Environmental management plan

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>have</b> an environmental management plan <b>in place</b> in order to minimize ecological disruption due to mining.
<b>Year 0</b>	

## 3.3 Labour conditions

**Intent and scope:** This section intends to ensure decent working conditions. Fairtrade International regards the 1998 ILO Declaration on Fundamental Principles and Rights at Work, as well as all other applicable ILO Conventions as references for decent working conditions.

The concept of decent work can be summarised in four basic objectives: rights at work, employment, social protection and social dialogue.

Workers are waged employees, whether they are permanent or seasonal/temporary, migrant or local, subcontracted or directly employed. Workers include all hired personnel whether they work in the mine, in processing sites, or in administration. Senior managers and other professionals are not considered workers.

Requirements in this chapter are applicable to all workers and employees directly employed by the ASMO, by its members/owners, by small- and micro-enterprises and employed miners within its scope (administration, industrial and domestic processing plants, and mineral extraction).

### 3.3.1 Assessment of employment conditions

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>assess</b> the existing employment conditions of all workers in your System of Production and <b>identify</b> the priority needs of all workers.
<b>Year 0</b>	

### 3.3.2 Monitoring of employment conditions

<b>Applies to:</b> ASMOs
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<b>Core</b>	You <b>monitor</b> changes in employment conditions of all workers in your System of Production annually.
<b>Year 1</b>	

### 3.3.3 Employment policy

<b>Applies to:</b> ASMOs	
<b>Dev</b>	Based on the assessment in requirement 3.3.1, you <b>develop</b> an employment policy to address how to improve the working conditions of all workers employed directly or indirectly by you and by your registered miners.  The employment policy <b>is part</b> of the ASMO development plan ( <a href="#">see details on the Fairtrade Development Plan in section 4.1</a> ).
<b>Year 3</b>	
<p><b>Guidance:</b> You and your members may also identify additional areas for improvement. The implementation of the employment policy may:</p> <ul style="list-style-type: none"> <li>• 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; and</li> <li>• take workers' needs into account when developing Fairtrade Premium projects.</li> </ul> <p>The employment policy is a tool for you to share the benefits of Fairtrade with workers. More advanced organizations can develop and implement internal rules for their miners on working conditions.</p>	

### Freedom from discrimination

**Intent and scope:** This section intends to prevent discrimination in general against all workers based on ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination (Employment and Occupation)) against worker discrimination.

Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

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

### 3.3.4 No discrimination

<b>Applies to:</b> ASMO	
<b>Core</b>	You and your members <b>do not discriminate</b> 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 terms of recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities.
<b>Year 0</b>	

### 3.3.5 No physical or mental coercion



<b>Applies to:</b> ASMO	
<b>Core</b>	<b>You and your members do not engage in, support or tolerate</b> the use of corporal punishment, mental or physical coercion or verbal abuse.
<b>Year 0</b>	

### 3.3.6 No sexually abusive behaviour

<b>Applies to:</b> ASMO	
<b>Core</b>	<b>You and your members do not engage in, support or tolerate</b> behaviour, involving gestures, language or physical contact, which is sexually intimidating, abusive or exploitative.
<b>Year 0</b>	
<b>Guidance:</b> Threats of physical or sexual nature, harassment and intimidation are explicitly prohibited. This includes acts targeting the worker, his or her family and/or close associates. Where such practices are endemic within a sector or region you are encouraged to address this within the framework of your Fairtrade Development Plan, for example by developing a written policy and a system that clearly prohibits sexually intimidating behaviour. A good practice to address such difficulties: "self help groups", where victims of such threats and actions can gather and talk.	

### 3.3.7 Policy for gender-based violence

<b>Applies to:</b> ASMO	
<b>Core</b>	<b>You have</b> a clear and defined policy and process for dealing with gender-based violence, and educate your members about sexual harassment at work.
<b>Year 1</b>	

### 3.3.8 Equal opportunities

<b>Applies to:</b> ASMO	
<b>Dev</b>	<b>You and your members provide</b> the same opportunities to men, women and disadvantaged individuals regardless of their provenance or origin in all areas of mining activity, (to workers, members and entrepreneurs), through recognising their specific capabilities and needs.
<b>Year 3</b>	

### 3.3.9 Support to pregnant and breast-feeding women

<b>Applies to:</b> ASMO	
<b>Dev</b>	<b>You and your members provide support</b> to all pregnant and breast-feeding women miners in your System of Production (self-employed women, 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 social security benefits (where applicable).
<b>Year 3</b>	
<b>Guidance:</b> <b>You and your members</b> make your best possible efforts to work with local authorities to ensure access to health services and social security for vulnerable people in your scope and the local community miners.	





### Freedom from unacceptable labour

**Intent and scope:** This section intends to prevent forced or bonded labour based on ILO Conventions C29 (Forced Labour Convention) and C105 (Abolition of Forced Labour Convention), and trafficking for forced labour or services, including sexual exploitation, based on the UN Trafficking Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (Trafficking Protocol or UN TIP Protocol).

**This section is applicable to all workers employed by the ASMO and its members.**

#### 3.3.10 No forced labour

<b>Applies to:</b> ASMO	
<b>Core</b>	Forced labour, including bonded or involuntary prison labour, <b>does not occur.</b>
<b>Year 0</b>	
<b>Guidance:</b> Forced labour can take the form of worker debt schemes involving the miner, his/her organization or intermediaries, by retaining of due payment, of identity documents or other personal effects of value, or through threats.	

#### 3.3.11 Freedom for spouses

<b>Applies to:</b> ASMO	
<b>Core</b>	You do not make the employment of a worker or an offer of housing conditional on the employment of their spouse.
<b>Year 0</b>	Spouses have the right to work elsewhere.

#### 3.3.12 Freedom to leave employment

<b>Applies to:</b> ASMO	
<b>Core</b>	Workers <b>have</b> the freedom to terminate employment at any time without penalty and without notice period if they find themselves in a forced labour situation.
<b>Year 0</b>	
<b>Guidance:</b> In case workers find themselves in a forced labour situation, they can leave immediately. They can contact Fairtrade International for help. In normal situations (when abusive or forced labour does not takes place), usual contractual agreements apply and workers should follow due period notices when they want to terminate their employment contracts.	

#### 3.3.13 Freedom to enter into employment

<b>Applies to:</b> ASMO	
<b>Core</b>	Workers <b>enter</b> into employment voluntarily and freely, without threat of penalty, violence, harassment or intimidation.
<b>Year 0</b>	



### Child labour and child protection

**Intent and Scope:** This section intends to prevent labour that is damaging to children based on ILO Convention C182 (Worst Forms of Child Labour Convention) and on ILO Convention C138 (Minimum Age Convention).

#### 3.3.14 No children employed

<b>Applies to:</b> ASMO	
<b>Core</b>	You and your members do <b>not employ</b> children below the age of 15 or under the age defined by local law or national mining section legislation, whichever is higher.
<b>Year 0</b>	
<p><b>Guidance:</b> In the case of child-headed households where all members of the house-hold are below the age of 18 years a child's right approach should be used to interpret these requirements, giving priority to the best interest of the child and long terms social protection. The minimum age requirement also applies to children who are employed indirectly by you or the members of the ASMO, for example when children of workers are working with their parents in mining operations. If the age of a child is unknown, all efforts must be made to identify the age following child rights guidelines (specifically child protection)</p> <p>When there is a high likelihood of child labour as defined by ILO Convention 138 (Minimum age) and ILO Convention 182 (Worst forms of child labour) occurring you are encouraged to address this and include actions in your Fairtrade Development Plan that tackles root causes of child labour, such as ensuring safe schooling of children. If there are no schools available in the area where children live, all effort should be given to work with national authorities and/or other relevant partners to build schools for children or provide safe transportation so children can attend the nearest schools. If children who migrate temporarily with their working families to areas where no schools are available, temporary schooling alternatives could be sought and provided so children can attend school and receive a quality education.</p> <p>In all circumstances child rights should be given primary consideration, as reflected in the guiding principles of the UN Convention of the Rights of the Child (UNCRC).</p>	

#### 3.3.15 Strict conditions for children to help working

<b>Applies to:</b> ASMO	
<b>Core</b>	Your members' children below 15 years of age are allowed to help in their families operations under strict conditions: you <b>make sure</b> that they only work after school or during holidays, the work they do is appropriate for their age and physical condition, they do not work long hours and/or under dangerous or exploitative conditions and their parents and/or guardians supervise and guide them.
<b>Year 0</b>	
<p><b>Guidance:</b> Children may work in dignified family situations that are neither harmful nor exploitative where they are able to learn technical, business and life skills, and realize their citizenship as active members of their community.</p>	



### 3.3.16 Precaution for children under 18 years

<b>Applies to:</b> ASMO	
<b>Core</b>	<b>You and your members do not</b> directly or indirectly <b>submit children</b> of less than 18 years of age <b>to any type of work</b> which puts their health, safety, morals or their school attendance at risk.
<b>Year 0</b>	
<b>Guidance:</b> Examples of work that is potentially damaging includes subsoil and underwater activities, work that takes place in an unhealthy environment, involves excessively long working hours, night work, the handling or any exposure to toxic chemicals, work at dangerous heights, and operation of dangerous equipment, and work that involves abusive punishment or is exploitative. Further examples, can be found in a country's Hazardous Child Labour Framework.	

### 3.3.17 Past employment of children and remediation

<b>Applies to:</b> ASMO	
<b>Core</b>	If in the past you or your members have employed children under 15 for any type of work, or children under 18 for dangerous and exploitative work, you <b>ensure</b> that those children do not enter or are not at risk of entering into even worse forms of labour, including hazardous work, slave-like practices, recruitment into armed conflict, sex work, trafficking for labour purposes and/or illicit activities.  Any action that you take to ensure this <b>respects</b> the UN Convention on the Rights of the Child (CRC) protective framework, which means that the best interest of the child are always the top priority, that their right to survival and development is respected, that you apply them to all children without discrimination, that the views of the child are heard and respected, and at all moments they are protected from violence.
<b>Year 1</b>	
<b>Guidance:</b> In order to ensure children do not enter worse forms you could develop a rights based remediation policy and program within a UN CRC protective framework that covers how to withdraw the children and how to prevent that they enter into worse forms of labour,  This policy and program should include a clear statement against child labour and remediation projects to ensure the immediate and continued protection of children. To be able to monitor the risk of child labour, you could consider including in your remediation project a youth inclusive, community led monitoring and remediation on child labour aimed at improving social protection at household levels where possible impacted and at risk children live. These projects can include support from expert partner organizations, preferably local.  You can check your country's National Action Plan to Eliminate Child Labour, especially its Hazardous Child Labour Framework, if available.  If you choose to partner with Fairtrade and/or its child rights partner in safe withdrawal of impacted children found in unconditional worst forms of child labour, you will need a signed Child Protection Policy and Procedure that demonstrates a commitment to adopting a child rights' approach to protecting impacted children. You and your relevant staff will need to be trained on child rights methodologies and a Fairtrade contact within your organization or another representative from senior management should be responsible for the development, ratification, implementation, and evaluation of this Child Protection Policy and Policy and Procedures.	



### 3.3.18 Child Labour Policy

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>establish and implement</b> a Child Labour Policy, including a signed Child Protection Policy and Procedures document, a clear statement against child labour and a clear statement that demonstrates a commitment to adopting a child rights' approach to protecting and remediating impacted children.
<b>Year 0</b>	

### 3.3.19 Child Labour prevention

<b>Applies to:</b> ASMO	
<b>Core</b>	If you have identified child labour as a risk in your organization or the surrounding community you <b>implement</b> relevant procedures to prevent children below the age of 15 from being employed for any work and children below the age of 18 from being employed in dangerous and exploitative work.
<b>Year 3</b>	
<p><b>Guidance:</b> Relevant procedures can be keeping records of all workers stating their age, gender, identification papers, migratory status and other relevant data.</p> <p>If you chose to mitigate risk through your Fairtrade Development Plan you could build a youth inclusive community based monitoring and remediation on child labour on an on-going basis. This would include:</p> <ul style="list-style-type: none"> <li>• identifying children in or at risk of being employed in child labour,</li> <li>• reporting on the status of the identified children on a regular basis,</li> <li>• measuring the progress made in safely withdrawing and preventing children from being engaged in child labour; and</li> <li>• avoiding that children withdrawn from labour situations are substituted by other.</li> </ul> <p>For suggestions on how to establish a youth inclusive community based monitoring and remediation on child labour, please request Fairtrade's descriptive and training materials on this from producer support team.</p>	

### 3.3.20 Preventive projects

<b>Applies to:</b> ASMO	
<b>Core</b>	If, as a result of your youth-inclusive community-based monitoring of child labour, you confirm that child labour is a risk in your organization or the surrounding community, you <b>develop</b> preventive projects with expert partner organizations to ensure that additional children do not become involved and you are committed to offering continued protection to children.  You and your workers <b>are trained</b> on these.
<b>Year 1</b>	
<p><b>Guidance:</b> The Fairtrade officer or another representative from senior management should be responsible for the implementation and assessment of the policy and related actions.</p>	



### 3.3.21 Well-being of children

<b>Applies to:</b> ASMO	
<b>Dev</b>	You and your members <b>contribute</b> to increased well-being of children and youth in your communities through continuous monitoring and remediation on child labour, enable decent youth employment within your scope, and have access to technical training and awareness of socially responsible and environmentally friendly ways of mining.
<b>Year 3</b>	

### Freedom of association and collective bargaining

**Intent and scope:** This section intends to protect workers against discrimination when exercising their human rights to organize and to bargain their working conditions collectively, based on ILO Conventions C87 (Freedom of Association and Protection of the Right to Organize Convention), C98 (Right to Organize and Collective Bargaining Convention), C135 (Workers’ Representatives Convention), C141 (Rural Workers’ Organisations Conventions) and ILO Recommendation R143 (Workers’ Representatives Recommendation). Companies are expected to fulfil their responsibilities to respect these human rights even where the state does not protect them.

Fairtrade International promotes the rights of freedom of association and collective bargaining and considers independent and democratic trade unions the best means for achieving this.

**The core requirements of this section are applicable to all workers employed by the ASMO and its members. The development requirements in this section are only applicable to the ASMO if it employs more than 20 workers, and to the members of the ASMO who employ more than 20 workers.**

### 3.3.22 Right to join a trade union

<b>Applies to:</b> ASMO	
<b>Core</b>	You and your members <b>recognize</b> in writing and in practice the right of all workers to establish and to join a trade union or workers’ organizations of their own choice, and to collectively negotiate their working conditions.
<b>Year 0</b>	

### 3.3.23 Access to trade union representatives

<b>Applies to:</b> ASMO	
<b>Core</b>	You and your members <b>allow</b> access to trade union representatives in order to communicate about unionization and/or to carry out their representative functions at an agreed time and place. You and your members <b>do not interfere</b> in these meetings.
<b>Year 0</b>	



### 3.3.24 No discrimination of union representatives

<b>Applies to:</b> ASMO	
<b>Core</b>	You and your members <b>do not punish, threaten, intimidate, harass or bribe</b> union members or representatives, nor discriminate against workers for their past or present union membership or activities. You do not base their hiring, promoting or benefit granting on not joining or giving up their union membership.
<b>Year 0</b>	
<b>Guidance:</b> Examples of punishment include terminating, transferring, relocating, downgrading or demoting workers, denying them the opportunity to work overtime, reducing their wages, benefits, or opportunities for vocational training, or changing their conditions of work. Further, employers shall not offer workers incentives to refrain from joining a union or engaging in union activities.	

### 3.3.25 Workers organization

<b>Applies to:</b> ASMO	
<b>Dev</b>	If there is no union that is recognized and active in your area, if unions are forbidden by law, or if unions are managed by government and not by members, then <b>you</b> and your members <b>encourage</b> workers to democratically elect a form of independent workers organization. This organization will represent workers in their negotiations to defend their interests.
<b>Year 3</b>	
<b>Guidance:</b> This requirement only applies if there are no recognized unions that are active in the area, if unions are forbidden by law or if unions are managed by government and not by members. "Recognized union" means that the union is affiliated with a national or international trade secretariat (for example the Global Union Federation). If the you or the workers need help in contacting a trade union representative you/they can contact Fairtrade International or a Fairtrade Producer Network for support in organizing a collective bargaining process.	

### 3.3.26 Time for worker's representatives

<b>Applies to:</b> ASMO	
<b>Core</b>	When requested, you and your members <b>provide workers' representatives</b> time during working hours, and facilities and resources, for their meetings with workers and to effectively carry out their functions.
<b>Year 0</b>	

### 3.3.27 Awareness raising on workers' rights and duties

<b>Applies to:</b> ASMO	
<b>Dev</b>	You and your members <b>provide training</b> to workers to improve their awareness of workers' rights and duties. Training <b>takes place</b> during paid working time.
<b>Year 3</b>	



### Conditions of employment

**Intent and scope:** This section intends to ensure good practices regarding the payment of workers and their conditions of employment based on ILO Conventions C95 (Protection of Wages Convention), C100 (Equal Remuneration Convention).

This section also intends to ensure good practices regarding sick leave, social security, maternity protection and workers' housing based on ILO Conventions C102 (Social Security (Minimum Standards) Convention), Part III, C121 (Employment Injury Benefits Convention), C130 (Medical Care and Sickness Benefits Convention), and C183 (Maternity Protection Convention).

**This section is only applicable to the ASMO and members of the ASMO who employ more than 20 workers.**

#### 3.3.27 Wages and conditions of employment

<b>Applies to:</b> ASMOs	
<b>Core</b>	<p>You <b>set wages for workers and other</b> conditions of employment according to legal or Collective Bargaining Agreement (CBA) regulations where they exist, or at regional average wages or at official minimum wages for similar occupations, whichever is higher. You <b>specify</b> wages for all functions.</p> <p>Average income under profit-sharing agreements (where applicable) <b>are not be disadvantaged</b> in comparison to fixed salaries.</p>
<b>Year 0</b>	

#### 3.3.28 Regular and documented payments

<b>Applies to:</b> ASMOs	
<b>Core</b>	<p>You <b>make payments</b> to workers at regularly scheduled intervals and <b>document</b> the payments with a pay slip containing all necessary information. Payments <b>are made</b> in legal tender. Payment in the form of vouchers, coupons or promissory notes is prohibited. Only if a worker explicitly agrees may you make the payment in kind and payments in-kind in the form of goods or services <b>are regulated, documented and in conformity with national laws and regulations</b>. You ensure the workers are not deprived of cash remuneration.</p>
<b>Year 0</b>	

#### 3.3.29 Rest day

<b>Applies to:</b> ASMOs	
<b>Core</b>	<p>You <b>allow workers</b> at least one day of rest for every 6 consecutive days worked, unless exceptional circumstances apply. In any case, you must demonstrate that exceptions are in line with the legislation for the mining industry. Exceptions cannot be claimed on a regular basis.</p>
<b>Year 0</b>	

#### 3.3.30 Permanent workers

<b>Applies to:</b> ASMOs	
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<b>Core</b>	All regular <b>work is undertaken</b> by permanent workers of your ASMO or members.
<b>Year 0</b>	You do not <b>use</b> production, quotas or piecework employment as a means to avoid time-bound contracts.

### 3.3.31 Third party obligations

<b>Applies to:</b> ASMOs	
<b>Core</b>	If you contract a third party for hiring workers, then the third party must comply with all Fairtrade requirements. You <b>ensure</b> that third party labour providers do not engage in fraudulent practices, workers recruited by them receive adequate protection, and no recruitment fees have been charged.
<b>Year 0</b>	

### 3.3.32 Contract of employment

<b>Applies to:</b> ASMOs	
<b>Core</b>	All permanent workers <b>have</b> a legally binding written contract of employment.
<b>Year 3</b>	

### 3.3.33 Deduction from salaries

<b>Applies to:</b> ASMOs	
<b>Core</b>	<b>You do not make</b> deductions from salaries, unless they are permitted by national laws, fixed by a Collective Bargaining Agreement or if the employee has given his/her written consent.
<b>Year 1</b>	If you make deductions from salaries for services you provide, the amounts <b>is in line</b> with the actual costs incurred, and <b>they are not used</b> for disciplinary purposes.
<b>Guidance:</b> An example of deductions for services provided includes housing, and in some cases Premium loan repayments are deducted from the payroll.	

### 3.3.34 Sick leave, social security

<b>Applies to:</b> ASMOs	
<b>Core</b>	Sick leave, annual leave, maternity leave, social security provisions and non-monetary benefits <b>are at least be equal</b> to national law, the sector CBA regulations where they exist or the agreement signed between the workers' organization and the employer, whichever is higher.
<b>Year 1</b>	





### 3.3.35 Working hours

<b>Applies to:</b> ASMOs	
<b>Core</b>	Working hours and overtime <b>comply</b> with applicable law and industry standards. Workers <b>must not be required</b> to work in excess of 48 hours per week on a regular basis.
<b>Year 1</b>	
<p><b>Guidance:</b> Exceptions to the 48 hour requirement are possible when workers are 'on call'. Premium rates apply for overtime (see 3.5.12).</p> <p>Diverging regulations adapted to the local mining reality are accepted if the compensation of overtime and free days is equal to or exceeds the minimum requirement.</p>	

### 3.3.36 Overtime regulation

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>do not require</b> your workers to work overtime. Overtime is allowable if it is voluntary and not used on a regular basis and does not extend over a period of more than 3 consecutive months. It must not exceed 12 hours per week, unless exceptional circumstances apply. In all cases overtime rates apply.
<b>Year 1</b>	National legislation must be complied with if it exceeds this requirement.

### 3.3.37 Overtime compensation

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>compensate</b> overtime at a premium rate. The premium rate must be paid at a factor of 1.5 for work performed on the regional day of rest, and public holidays and night work must be paid at a factor of 2 unless otherwise defined by national legislation, by CBA or by agreements with unions.
<b>Year 1</b>	If you compensate overtime by the allocation of time off work, you <b>apply</b> the premium factor.

### 3.3.38 Temporary workers

<b>Applies to:</b> ASMOs	
<b>Core</b>	Temporary workers who are employed for a period of 3 months or more of uninterrupted services <b>have</b> a legally binding written contract of employment with a job description, signed by employee and employer.
<b>Year 3</b>	



### 3.3.39 Paid leave

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>grant</b> workers at least 2 weeks of paid leave per year at minimum, not including sick and casual leave. Periods of annual leave <b>must be in line</b> with national legislation and/or with agreements detailed in a specific or sectorial CBA, if either of these exceeds 2 weeks.
<b>Year 3</b>	
<b>Guidance:</b> 'Week' means a calendar week.	

### 3.3.40 Wage level increase

<b>Applies to:</b> ASMOs	
<b>Dev</b>	You <b>regularly increase</b> wage levels.
<b>Year 3</b>	
<b>Guidance:</b> The wage increase is intended to raise wage levels to an eventual living wage.	

### 3.3.41 Equivalent benefits for all workers

<b>Applies to:</b> ASMOs	
<b>Dev</b>	Local, migrant, seasonal and permanent workers <b>receive</b> equivalent benefits and employment conditions for equal work performed.
<b>Year 3</b>	In cases where equivalent benefits, such as a pension scheme or social security, cannot be made available to a set of workers, e.g. migrant or temporary/seasonal workers, these workers <b>receive</b> the equivalent or an alternative through other means.

### 3.3.42 Housing

<b>Applies to:</b> ASMOs	
<b>Dev</b>	If you provide housing for permanent, temporary or former workers, it <b>must be</b> such as to ensure structural safety and reasonable levels of decency, privacy, security and hygiene, and includes regular upkeep, improvement and modernisation of housing and related communal facilities. If sanitary facilities are shared, a reasonable number of toilets and bathing facilities with clean water per number of users, and according to regional practice, is <b>available</b> .
<b>Year 3</b>	National or state regulation <b>must be complied with</b> in all cases and regional norms should be considered.



**Guidance:** Housing should only be provided for workers where farms are located far from normal centres of population, is not available in sufficient quantity, or where the nature of the employment requires that the worker should be available at short notice. The requirement and guidance are based on international labour standards. Guiding principles for adequate and decent housing to provide a suitable living environment for workers should aim to ensure family housing and dormitories.

The cost for housing is set according to local averages. If the ASMO and its members provide housing, they **compensate** workers who do not receive housing benefits otherwise with an allowance that will enable them to afford to rent a house of the same standard. Workers have the freedom to be able to choose if they want to be housed on the farm or not.

**Guidance:** The requirement and guidance are based on international labour standards. National or state regulation must be complied with in all cases.

In order to meet workers' privacy needs, it is recommended that you as management agree with the workers on how their privacy requirements can be realised.

For further details on housing, please see the [ILO Helpdesk Factsheet No. 6, 2009](#) on workers housing.

### 3.3.43 Health and pension

**Applies to:** ASMOs

<b>Dev</b>	You <b>make every effort</b> to ensure that all registered miners benefit from a social security scheme covering health and pension.
<b>Year 3</b>	

### 3.3.44 Accidents, disease, disaster

**Applies to:** ASMOs

<b>Core</b>	In the absence of social security protection systems, the workers or miners affected by accidents, occupational disease, or disaster <b>receive</b> solidarity help from your ASMO through economic support collected among the miners and the community as defined by the ASMO.
<b>Year 1</b>	

You set up a fund and collection system to support miners who are not protected by social security systems in the event that they are affected by accidents, occupational disease.

### 3.3.45 Policy for widow(er)s

**Applies to:** ASMOs

<b>Core</b>	You <b>develop</b> a policy to ensure that widows , widowers of a deceased worker or miner do not lose rights and obligations held by the deceased in the mine and in the organization, in accordance with the deceased's capabilities and experience.
<b>Year 1</b>	



### 3.3.46 Reparation to widow(er)s and heirs

<b>Applies to:</b> ASMOs	
<b>Dev</b>	In the event of the death of a worker, you provide reparation to the widow/widower and heirs, if where they exist.
<b>Year 3</b>	

### Occupational Health and Safety

**Intent and scope:** This section intends to prevent work-related accidents by minimizing hazards in the work place. It is based on ILO Conventions 155 (Occupational Health and Safety), and 176 (Safety and Health in Mines) that establishes requirements for minimum security for all mining operations, and expects miners to comply.

**This section of the Standard is applicable to all workers employed by the ASMO and its members, and to all miners employed in the ASMOs System of Production.**

### 3.3.47 Protective equipment

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>ensure</b> that all workers and miners in its System of Production use proper equipment for personal protection in accordance with the nature of the mine, the work to be done and the place. This equipment must be paid by the employer.
<b>Year 0</b>	

### 3.3.48 Safety of processes, workplaces, machineries

<b>Applies to:</b> ASMOs	
<b>Core</b>	You and all employers in its System of Production <b>ensure</b> that work processes, workplaces, machinery and equipment on the production site are as safe as reasonably practicable. On request of the certification body, the ASMO <b>presents</b> an investigation of a competent authority or independent inspection agency.
<b>Year 0</b>	

### 3.3.49 Access to information on health and safety

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>ensure</b> that all miners in its System of Production 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.
<b>Year 0</b>	

### 3.3.50 Committee for Health and Safety

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>have</b> a committee in place to make decisions and implement actions in health and safety in the workplace.
<b>Year 0</b>	



**Guidance:** The committee should represent the different groups and actors in the SoP (workers, self-employed miners and women collectors).

### 3.3.51 Mining map

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>have</b> a mining map, which maps out all mining and processing operations in its scope.
<b>Year 0</b>	

### 3.3.52 Mining rescue plan

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>have</b> a mining rescue plan and a first aid program depending on the kind of mining activity you develop.
<b>Year 1</b>	

### 3.3.53 **NEW 2015** Risk identification

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>identify</b> risks in the workplace and <b>have</b> a monitoring system in place. Particularly the risk of falling and mine collapse should be evaluated.
<b>Year 1</b>	
<b>Guidance:</b> Risks in the workplace can be numerous and can be related to issues such as confined space, carbon monoxide or, silica dust exposure.	

### 3.3.54 Training on health and safety risks

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>train</b> members on health and safety risks.
<b>Year 1</b>	



### 3.3.55 Medical checks

<b>Applies to:</b> ASMOs	
<b>Core</b>	You <b>offer</b> all persons working in the mining operations regular medical checks, and records must be established. Medical records must be held confidential by the medical practitioner. Personal medical information is not to be disclosed to the employer without consent from the employee.
<b>Year 1</b>	
<b>Guidance:</b> The medical checks should pay particular attention to silica dust related potential affections.	

### 3.3.56 Risks and vulnerabilities diagnosis

<b>Applies to:</b> ASMOs	
<b>Dev</b>	You <b>work</b> with local authorities or other relevant parties towards making a gender-based diagnosis of the main risks and vulnerabilities to accidents and disasters in the community due to mining activity.
<b>Year 3</b>	

### 3.3.57 Awareness raising in the mining community

<b>Applies to:</b> ASMOs	
<b>Dev</b>	You <b>raise awareness</b> in the surrounding mining community about health and safety risks.
<b>Year 3</b>	



# 4. Business and Development

## Intent and Scope

This chapter outlines the requirements that are unique to Fairtrade and intends to lay the foundations for empowerment and development to take place.

### 4.1 Development Potential

**Intent:** Fairtrade should lead to the demonstrable empowerment and environmentally sustainable social and economic development of ASMO members and Production Partners and their families and workers and the local community.

The intent of this section is to ensure that the direct beneficiaries of Fairtrade are members of the ASMO, their families and mining communities they live and mine in.

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. The Fairtrade Premium is a tool for development, supporting the ASMO and the ASM community to realize their development objectives as laid down in the Development Plan of the ASMO's Premium Committee. This plan is meant for steering investment in the social, economic and environmentally sustainable development of the ASMO and its miners and through them, their families, workers and surrounding community.

#### 4.1.1 NEW 2015 Fairtrade Premium Committee

<b>Applies to:</b> ASMO	
<b>Core</b>	A <b>Fairtrade Premium Committee (FPC)</b> with elected representatives of all different types of artisanal and small-scale miners and workers registered in the system of production must be created. The representatives in the FPC reflect in number and gender the <b>social composition of the System of Production</b> . The FPC is responsible for the decision taking about the use of the Fairtrade Premium for the benefits of all members and workers. It sets the priorities for the Fairtrade Development Plan.
<b>Year 0</b>	
<b>Guidance:</b> The FPC is independent from the ASMO board. However, members of the board of the ASMO may be elected as representatives into the FPC. The FPC can invite representatives of the community to attend meetings and present their views and needs. The FPC prepares itself in year 0 of certification for later decision taking the priorities of the FDP, once receiving Fairtrade Premium money. This way, its members can be supported/trained by Fairtrade staff from the beginning on.	

#### 4.1.2 NEW 2015 Internal rules of the Fairtrade Premium Committee

<b>Applies to:</b> ASMO	
<b>Core</b>	The FPC <b>develops</b> its <b>internal rules</b> . They do not discriminate and are based on a



<b>Year 0</b>	democratic process. Internal rules include elements like the aims of the FPC, its composition, the election process of FPC members, frequency of meetings, criteria for selecting Fairtrade Premium projects, documentation and reports to be delivered, responsible person for finances.
<b>Guidance:</b> You have the right to request from the FPC amendments to the proposed internal rules, should these have a demonstrable negative structural, financial or social impact on your ASMO.	

#### 4.1.3 Approval by the General Assembly

<b>Applies to:</b> ASMO	
<b>Core</b>	Through your General Assembly you approve all decisions made on Fairtrade Premium as well as the internal rules of the FPC.
<b>Year 1</b>	

#### 4.1.4 Needs assessment

<b>Applies to:</b> The FPC	
<b>Core</b>	You <b>carry out</b> , with support from the ASMO, a needs assessment of environmentally, socially and economically sustainable development of the organization and the community how the Fairtrade Premium can help to promote this.
<b>Year 1</b>	

#### 4.1.5 Fairtrade Development Plan

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>plan</b> and document at least one activity with the intention to promote the progress of your business, organization, members, workers, community and/or environment. The plan is called the Fairtrade Development Plan and includes <ul style="list-style-type: none"> <li>• the description of the activity (what you plan to do)</li> <li>• the objective of the activity (why you plan to do it)</li> <li>• the timeline of the activity (by when you plan to do it)</li> <li>• the responsibilities (who will be in charge of doing it)</li> <li>• and in case you need to spend the budget of the activity (how much you plan to spend)</li> </ul> <p>It is based on your evaluation of the needs assessment carried out by the FPC (see requirement 4.1.5).</p>
<b>Year 1</b>	





**Guidance:** Planning, implementing and evaluating the plan will stimulate and increase the participation of members in their own organization and community. It is a good practice to plan activities that respond to the needs of your organization, members, workers and communities.

Your organization has the right to choose any activities that your members agree on and are important for your particular situation, aspirations and priorities. Upon your request, Fairtrade International or Producer Networks can provide the List of Ideas for the Fairtrade Development Plan that includes activities that have been useful in other organizations. The list is only for guidance. You are encouraged to think of your own activities.

The Fairtrade Development Plan proposed by the FPC is democratically approved by the General Assembly. The General Assembly approves the Fairtrade Development Plan and assumes the legal responsibility over its implementation.

#### 4.1.6 **NEW 2015** Decision making on Fairtrade Development Plan

<b>Applies to:</b> The Fairtrade Premium Committee	
<b>Core</b>	The FPC <b>decides</b> on priorities of the Fairtrade Development Plan based on the evaluation of the needs assessment (see requirement 4.1.5), and propose the Premium Plan to the General Assembly for adoption.
<b>Year 1</b>	
<b>Guidance:</b> The Fairtrade Development Plan proposed by the Premium Committee is democratically approved by the General Assembly. The General Assembly approves the Premium Plan and assumes the legal responsibility over its implementation.	

#### 4.1.7 Responsibility on the Fairtrade Development Plan

<b>Applies to:</b> ASMO	
<b>Core</b>	Through the Fairtrade Premium Committee, you: <ul style="list-style-type: none"> <li>• <b>analyse</b> whether the Fairtrade Development Plan is aligned with the needs assessment;</li> <li>• (if applicable) <b>make justified adjustments</b> in documented consensus with the Premium Committee;</li> <li>• <b>adopt</b> the Fairtrade Development Plan;</li> <li>• recommend approval to the General Assembly</li> <li>• assume the responsibility for its implementation.</li> </ul>
<b>Year 1</b>	



#### 4.1.8 Reporting

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>report</b> the results of the Fairtrade Development Plan to the General Assembly every year and document this presentation. In the report you must address the following questions:
<b>Year 1</b>	<ul style="list-style-type: none"> <li>• Were the actions carried out? Yes/no. If not, why?</li> <li>• When?</li> <li>• At what cost?</li> <li>• Was the objective achieved or are further actions needed?</li> </ul>
<b>Guidance:</b> The intention of this requirement is that you and your members self-monitor your own performance against the original plan and evaluate the success of the plan. There can be several reasons why a plan was not carried out as originally planned or why it was not successful in reaching the objectives. Your members need to be informed about this.	

#### 4.1.9 Accounting system

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> an accounting system for the Premium income and expenditure in place, in order to manage the Premium transparently.
<b>Year 1</b>	

#### 4.1.10 NEW 2015 Bank account for Fairtrade Premium

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> a separate bank account for managing the Fairtrade Premium. There is a double signature: one from Fairtrade Premium Committee and one from ASMO.
<b>Year 1</b>	

#### 4.1.11 Books of the bank account

<b>Applies to:</b> ASMO	
<b>Core</b>	All <b>relevant books</b> of the Fairtrade Premium account are available <b>to all FPC members</b> . You are able to prove that the Fairtrade Premium is used in line with applicable rules.

#### 4.1.12 Proactive information

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>proactively inform</b> the local community and impacted stakeholders about the Fairtrade



<b>Year 1</b>	Development Plan.
<b>Guidance:</b> Local community representatives may be invited to the GA and/or other meetings to foster their information and knowledge about the Fairtrade Development Plan.	

## 4.2 Democracy, Participation and Transparency

**Intent:** This section intends to ensure that the ASMO facilitates the social and economic development of its members, their families, workers, production partners and the local community, and guarantees that the benefits of Fairtrade reach them. The organization must therefore have democratic structures in place and a transparent administration, which allows members and the board to have effective control over the management of the ASMO, including the decisions about how Fairtrade benefits are shared. Members should be able to hold the board accountable for its activities.

Furthermore, there must be no discrimination regarding membership and participation. In particular, there should be no gender discrimination.

### 4.2.1 Organizational structure

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> a legal, transparent and democratic organizational structure in place, which enables effective control by the members. This includes:
<b>Year 0</b>	<ul style="list-style-type: none"> <li>• a General Assembly as the highest decision-making body where all major decisions are discussed and taken;</li> <li>• equal voting rights for all members; and</li> <li>• if you have over ten registered miners, an elected Board, chosen in free, fair and transparent elections.</li> </ul>
<b>Guidance:</b> Staff hired by your organization will be controlled by the Board, which is in turn controlled by the General Assembly. In the General Assembly members can either vote directly or through a system of elected delegates if you choose so. The system is based on the principle that each member or member organization has the equal or proportional number of delegates.	



### 4.2.2 Register of miners

<b>Applies to:</b> ASMO	
<b>Core</b>	<p>You <b>register and keep a record of</b> all miners working in your System of Production, which includes the mining area (mining rights, land rights, and respective concession numbers) and all mining works (e.g. pits, processing units) that are part of it and deliver into the Fairtrade supply chain. For each registered miner, you records at least:</p> <ul style="list-style-type: none"> <li>• name;</li> <li>• date of birth;</li> <li>• legal document/identity card number;</li> <li>• distinguishing name of the organization, fc, micro-enterprise or small enterprise to which he/she belongs;</li> <li>• start date working in the area/with the organization;</li> <li>• matrimonial status;</li> <li>• number of dependents;</li> <li>• reason why they are working in ASM;</li> <li>• reason why they have registered with the ASMO; and</li> <li>• type of working contract, working hours/week, and salary (in cash or in kind)/week (for workers only).</li> </ul>
<b>Year 0</b>	
<p><b>Guidance:</b> The registration of individuals follows the admission principles of the Internal Regulations of the ASMO wherein admission and exclusion criteria of individuals are defined in section 4.3 on Non-discrimination below.</p> <p>While it is your responsibility 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. You cannot be held responsible for non-registered miners who engage in mineral extraction but refuse to register and follow the ASMO if you have no legal authority. You should not accept mineral or metal from non-registered miners. Non-registered miners should not participate in Fairtrade Premium decisions.</p>	

### 4.2.3 Admission and exclusion rules

<b>Applies to:</b> ASMO	
<b>Core</b>	<p>You <b>have clear and documented</b> admission and exclusion rules for registration and your System of Production in place. You make all efforts to minimize the need for exclusions, and you do not exclude persons, areas and in particular production units or processes in a discriminatory way or in order to minimize the efforts to reach standard compliance of its production process.</p>
<b>Year 0</b>	
<p><b>Guidance:</b> Exclusions from your scope should be defined based on the criterion of whether you can or cannot control and take responsibility over persons, areas and production units (processes). The rules should be transparent and accessible (public) for interested miners/parties.</p>	

### 4.2.4 Annual General Assembly

<b>Applies to:</b> ASMO	
<b>Core</b>	<p>You <b>hold</b> a General Assembly at least once a year.</p>
<b>Year 0</b>	



#### 4.2.5 Rules and regulations

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>follow</b> your own rules and regulations such as a constitution, by-laws and internal policies, including those for election and membership processes.
<b>Year 0</b>	

#### 4.2.6 Approval by the General Assembly

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>present</b> the annual report, budgets and accounts to the General Assembly for approval.
<b>Year 0</b>	
<b>Guidance:</b> This requirement is common in most legal regulations for organizations of this kind.	

#### 4.2.7 Informing members

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>inform</b> your members in good time when the General Assembly will take place.
<b>Year 0</b>	

#### 4.2.8 Administration and book keeping

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> an administration in place with at least one person or committee who is responsible for managing the administration and book keeping.
<b>Year 0</b>	

#### 4.2.9 Communication to the community

<b>Applies to:</b> ASMO	
<b>Core</b>	You communicate to the community to ensure they are informed of Fairtrade and its principles, on the activities of the ASMO, and on how the benefits of Fairtrade are distributed and used.
<b>Year 0</b>	



#### 4.2.10 Training on internal mechanisms

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>provide</b> training to your members on internal mechanisms to facilitate their control over your administration.
<b>Year 3</b>	
<b>Guidance:</b> This will increase members' understanding and awareness of operations enabling them to participate more actively in your administration and improve the flow of information from the Board to members about your business and policies.	

#### 4.2.11 Accessibility of records and books

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>keep</b> records and books that are accessible to all members.
<b>Year 0</b>	

#### 4.2.12 Signatories of bank account

<b>Applies to:</b> ASMO	
<b>Core</b>	You <b>have</b> a bank account with more than one signatory, unless it is not possible.
<b>Year 0</b>	

#### 4.2.13 General Assembly minutes

<b>Applies to:</b> ASMO	
<b>Core</b>	Minutes of the General Assembly <b>are taken</b> and <b>signed</b> by the president of the Board and at least one other member and <b>include</b> a list of participants of the General Assembly.
<b>Year 0</b>	

#### 4.2.14 Members' participation

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>enhance</b> the members' participation in the organization.
<b>Year 3</b>	
<b>Guidance:</b> This enhancement can be done through training, information sessions, etc. You can also monitor the members' commitment within the organization both quantitatively (participation rate) and qualitatively (how/which members are active during meetings, etc)	



### 4.3 Non-discrimination

**Intent:** Fairtrade International 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” (Article 2). Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability, merit or age. This section intends that these principles are followed including in countries, which have not formally approved the Declaration at the national level.

Fairtrade is a social standard aiming to support the development of its beneficiaries. The “positive discrimination” of members from disadvantaged or minority groups is therefore intended. This also includes the supportive membership criteria of women miners’ organizations, indigenous miners’ organizations, or similar organizations where a common characteristic determines common development goals.

#### 4.3.1 No discrimination

<b>Applies to:</b> ASMO	
<b>Core</b>	Your rules for registration (inclusions into or exclusion from the System of Production) <b>do not discriminate</b> on the basis of race, colour, gender, sexual orientation, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin.  The <b>must not be discrimination</b> regarding participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefit or obligation.
<b>Year 0</b>	
<b>Guidance:</b> Where particular forms of discrimination exist within an economic sector or geographical region, you are encouraged to show progress towards removing them, addressing them in your Fairtrade Development Plan.	

#### 4.3.2 Identification of disadvantaged/minority groups

<b>Applies to:</b> ASMO	
<b>Dev</b>	You identify disadvantaged and minority groups within your organisation and System of production.
<b>Year 3</b>	

#### 4.3.3 Programmes for disadvantaged/minority groups

<b>Applies to:</b> ASMO	
<b>Dev</b>	You <b>have</b> programmes in place related to the disadvantaged/minority groups that you have identified, to improve their social and economic position in your organization.
<b>Year 3</b>	
<b>Guidance:</b> You are expected to show how you directly support your members from disadvantaged or minority groups in participating actively in your organization, for example by delegating organizational responsibilities. You are encouraged to give special attention to the participation of female members.  You are encouraged to include these programmes within the framework of your Fairtrade Development Plan.	



#### 4.3.4 Equal representation of women

<b>Applies to:</b> ASMO	
<b>Dev</b>	Appropriate measures <b>are</b> taken to ensure equal representation of women in the ASMO.
<b>Year 3</b>	

#### 4.3.5 Access to resources and innovation for women

<b>Applies to:</b> ASMO	
<b>Dev</b>	Women miners and minority groups <b>have</b> equal access to mineral resources and technological innovation within the organization.
<b>Year 3</b>	

### 4.4 Pre-finance

**Intent:** The lack of ready cash is often an impediment for ASMOs to ensure it can extend its chain of custody to all the certified precious metals that its miners produce. In consequence, gold that could be sold as Fairtrade can end up being sold to the traditional 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 historic dependence and “economic slavery”.

For this section, the Trade Standard requirements for all Fairtrade products apply. The requirements below come on top of these, as they are specific to the Fairtrade precious metals.

Local and national legislations take priority where they conflict with any Fairtrade requirement on pre-finance.

#### 4.4.1 Management of pre-finance

<b>Applies to:</b> ASMO	
<b>Core</b>	You have a transparent mechanism for the management of pre-financing funds provided by traders.
<b>Year 0</b>	

#### 4.4.2 Pre-finance percentage

<b>Applies to:</b> Traders
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<b>Core</b>	You <b>provide</b> after a successful trial period at least forty percent of pre-finance of the value for each consignment, unless the requested amount is lower.
<b>Year 0</b>	

#### 4.4.3 New trial period

<b>Applies to:</b> Traders	
<b>Core</b>	In the case of a filed “failed delivery report” or “non-conformity” filed by a buyer, a new trial period may be agreed which must not exceed four consignments between you and the ASMO
<b>Year 0</b>	

### 4.5 Pricing

**Intent:** The intent of this section is to ensure that the considerable efforts of organizations and their members to be Fairtrade certified are appropriately rewarded through the payment of the Fairtrade Price and Premium.

Fairtrade Minimum Prices are meant to protect and reduce the risks for producers in the event that market prices fall.

Due to the nature of mining, determining a cost of sustainable production (COSP) is not always feasible. Therefore the Fairtrade Minimum Price (FMP) is set based on the London Bullion Market Association (LBMA) fixing for gold and silver and the London Platinum and Palladium Market (LPPM) for platinum.

Fairtrade artisanal and small-scale precious metal mining is aimed at promoting socially and environmentally responsible 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 funds necessary for development. Responsible mining is a vision of artisanal mining without environmental contamination and with full ecological restoration.

The Fairtrade Ecological Premium paid for the ecological precious metal acknowledges the additional voluntary efforts from the ASMO to produce the Fairtrade precious metals.

#### 4.5.1 Price fixing

<b>Applies to:</b> Traders	
<b>Core</b>	The price is based on the LBMA or LPPM fixing for gold, silver and platinum and <b>must be</b> at least ninety-five per cent of the LBMA/LPPM fix for the pure content, FOB export point.
<b>Year 0</b>	



#### 4.5.2 Payments steps

<b>Applies to:</b> Traders	
<b>Core</b>	For gold, full <u>price and Fairtrade Premium</u> payment are made, based on estimation of purity, no later than the next business day after confirmed shipment. Once the exact purity of the gold is known through the refinement, final liquidation shall not be made later than one business day after refinement.
<b>Year 0</b>	For silver, the price and Fairtrade Premium payments can be made in several steps, unless agreed otherwise. In this case, you make the first price down payment (based on the least expected fine metal content before assay) not later than the next business day after confirmed shipment. You make the final payment not later than the next business day after all elements (price, assay results) have been verified by the parties.  For all Fairtrade precious metals, <u>conveyors</u> ensure that payment to the miners is made no later than 7 days after receipt of payment from the Fairtrade payer.

#### 4.5.3 Fairtrade Premium

<b>Applies to:</b> Traders	
<b>Core</b>	The value of the Fairtrade Premium for Gold is \$2000 USD per kilo of weight delivered FOB.
<b>Year 0</b>	The Fairtrade Premium for silver is 10% of the applicable LBMA fixing.

#### 4.5.4 Fairtrade Ecological Premium

<b>Applies to:</b> Traders	
<b>Core</b>	For precious metals mined according to Fairtrade Ecological requirements, the buyers <b>pay</b> an Ecological Premium of 15%, of the applicable LBMA/LPPM fixing FOB.
<b>Year 0</b>	

#### 4.5.5 Fairtrade Premium payments

<b>Applies to:</b> Traders	
<b>Core</b>	<b>Fairtrade Premium payments</b> (Fairtrade Premium or Ecological Premium) <b>are made</b> in full to the ASMO.
<b>Year 0</b>	
<b>Guidance:</b> Split payments are possible for silver (see requirement 4.5.2).	

#### 4.5.6 Transportation and insurance costs

<b>Applies to:</b> Traders	
<b>Core</b>	Transportation and insurance costs from point of export <b>are paid</b> by the importer (buyer),



<b>Year 0</b>	unless the ASMO (or its members) and the importer agree on other arrangements that are not detrimental to the ASMO (or its members).
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#### 4.5.7 Fairtrade Premium payments indication

<b>Applies to:</b> Traders	
<b>Core</b>	Fairtrade Premium payments are indicated on a separate line on all invoices throughout the supply chain, to ensure transparency.
<b>Year 0</b>	

#### 4.5.8 Contracted operator

<b>Applies to:</b> Traders	
<b>Core</b>	If the ASMO or its members have no trade function or export permit (see requirement 2.3.9), the contracted operator <b>may act</b> as pro-bono intermediary for price and Fairtrade Premium payments.
<b>Year 0</b>	

## Annex 1 Definitions

This annex includes the current definitions of mining related terms as employed by the mining industry, the Fairtrade standard setter and the certification body.

**Amalgamation:** Treating gold concentrate with mercury to form amalgam which is then decomposed by burning, leaving the gold.

**AMD:** Acid Mine Drainage (AMD) is a natural process of oxidization of sulphide minerals and creation of SO<sub>2</sub> 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.

**Artisanal mining:** Artisanal and Small-scale mining (ASM) refers to informal mining activities carried out using low technology or with minimal machinery. For more details see more at: <http://www.miningfacts.org/>

**ASMO:** Formalized Artisanal and Small-scale Miner’s Organization. This is equivalent to an ASM Enterprise in the OECD Due Diligence Guidance.

**Artisanal and small-scale miners:** The local population that acts as the driving force behind the mining operation and that builds their own livelihood strategy upon the mineral resources within their communal territory.

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

**Conflict Areas:** This Standard follows the definition of the OECD Due Diligence Guidance for Mining in Conflict-affected and High-risk Areas (2012). “Conflict areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms,



such as a conflict of international or sub-national character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, or violence by the State against citizens, etc. High risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law.

**Conveyor:** A conveyor is any operator that receives the Fairtrade Minimum Price and/or Fairtrade Premium from a Fairtrade payer and passes it on to the respective producer.

**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 with activated carbon and subsequent desorption.

**Domestic Processing at the ASMO level:** Domestic processing plants are micro-enterprises and part of the family economy, which may – due to their size and characteristics – not require formal public registration, operation permits or labour inspection.

The ASMO is obliged to register all domestic processing units and the miners if they belong to the ASMO's System of Production and deliver into the Fairtrade supply chain. All registered domestic processing units are required to comply with this Standard. All people involved in activities of the domestic processing units (family members above age classified as child labour) are members. Specific attention has to be given to welfare of families and children and child protection in these units.

The term “domestic” refers to the artisanal characteristics (in a narrower sense) of such units, not to their locations. As the term “artisanal” is already used in “ASMO” and ASMOs are required to be formal and count on all required permits, the term “domestic” is used for such units to avoid confusion.

*Domestic processing units may include, for example, small mills, amalgamation, smelting, dredges and pumps in alluvial mining operated by family members and their workers. If those plants depend structurally on contracted labour (more than twenty workers, seasonal, temporary or permanent) they must be inspected as an industrial plant which involves all legal obligations for small or medium-size enterprises of the formal economy. Due to necessary safety measures, cyanidation/leaching plants are always considered to be “industrial” - regardless of their size and number of workers they employ.*

**Fairtrade certified precious metals:** refer to gold, silver or platinum mined, processed and traded according to this Standard.

Throughout this document “Precious Metal” refers to gold, silver and platinum found in the same mining operation of the ASMO. The Production chapter refers to the raw precious metals as found in the mine, while the Trade chapter addressing processing, trading and manufacturing refers to fine precious metal as used in consumer products.

Throughout this document “Precious Metal” refers to gold, silver and platinum from certified producers that can be used in consumer products labelled with Fairtrade International's Fairtrade Mark.

- All precious metal is certifiable as Fairtrade precious metal that originates from System of Production of a certified ASMO;
- has been produced by the ASMO or its registered miners;
- is fully traceable through the ASMO's Internal Control System;



- can be traded through the ASMO or one of its registered members.

**Fairtrade Gold, Silver and Platinum** refers to the pure chemical element “gold” (Au), “silver” (Ag) “platinum” (Pt) contained in the mineral or in form of different alloys and different purity in metals.

*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). The globally accepted purity standard of the London Bullion Market Exchange (LBMA) and of the London Platinum and Palladium Market (LPPM), respectively, are used. According to the LBMA Standard, the minimum acceptable fineness is 995.0 parts per thousand fine gold, for silver 999.0 and for platinum 999.5 parts per thousand, with fineness determined to four significant digits.*

**Fairtrade Ecological Gold, Silver and Platinum** refer to gold, silver and platinum that have been produced by the miners’ organization in compliance with the requirements for ecological (chemical-free) precious metal extraction in section 3.2.

High risk areas: area where there is a high risk of conflict or of widespread or serious abuses as defined in paragraph 1 of Annex II of the OECD DDG . Such areas are often characterized by political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence and violations of national or international law.’

**Indigenous peoples:** People and groups of people that can be identified or characterized as follows:

- The key characteristic or criterion is self-identification as indigenous peoples at the individual level and acceptance by the community as their member
- Historical continuity with pre-colonial and/or pre-settler societies
- Strong link to territories and surrounding natural resources
- Distinct social, economic or political systems
- Distinct language, culture and beliefs
- Form non-dominant groups of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.<sup>13</sup>

**Internal Control System (ICS):** The ASMO has an Internal Control System that covers all volume and sales into the Fairtrade supply chain, and assures traceability. The purpose of the ICS is to monitor the origin of mineral and gold and the principal tool to prevent the following from entering the Fairtrade supply chain:

- mineral and tailings from non-registered miners or processors which are not part of the ASMO’s System of Production;
- processing units from mineral or tailings from outside of the ASMO’s System of Production.

**Local communities:** Communities of any size that are in or adjacent to the System of Production , and also those that are close enough to have a significant impact on the economy or the environmental values of the System of Production, or to have their economies, rights or environments significantly

<sup>13</sup> Source: Adapted from United Nations Permanent Forum on Indigenous, Factsheet ‘Who are indigenous peoples’ October 2007; United Nations Development Group, ‘Guidelines on Indigenous Peoples’ Issues’ United Nations 2009, United Nations Declaration on the Rights of Indigenous Peoples, 13 September 2007).



affected by the management activities of the System of Production. They include traditional groups and indigenous groups.

**Miner:** Person involved in mining extraction. Miners can be owners, self-employed people, etc.

**Mineral (s):** 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:** Mineral selectors are primarily women and usually work on the surface of the mining area, selling free coarse gold in small amounts or process minerals domestically (e.g. through milling and amalgamation). In some cases they deliver selected minerals to the organization's plant or registered miners of the ASMO. Sales are usually done locally. There are a) organized mineral selectors who operate in the area of the ASMO or b) those who are a part of the surrounding mining community which is not directly part of the System of Production of the ASMO.

**Mining area:** In legal terms, the area in which the owner of the mining right can mine the subsoil.

**Mining right:** The right of a legal or natural person to extract minerals within a mining area, see above.

Most legislation distinguishes between land rights and sub-surface rights (mining rights, concessions, leases). ASM is treated in widely variable ways under individual legal frameworks of different countries, and frequently mining concessions or mining leases are only granted to industrial mining. Therefore this Standard uses the term "mining right" in its generic sense, as any public or private legal right or authorization to extract minerals within a certain area and obtaining ownership of the extracted minerals or their content.

**Newcomer ASM:** Newcomer ASM is rush mining in a 'virgin' place where ASM has not previously taken place, or has not occurred for over a decade. It is often characterized by seemingly chaotic situations with high influx of migrant labourers. Social and physical infrastructure is inadequate to cope with the population boom, and impacts on communities and the environment may be severe with a culture of violence commonly being the means by which people secure access to the resource and discipline transgressions of site rules. However, newcomer ASM can transform into settled, community-based mining. Newcomer ASM is out of the scope of Fairtrade certification.

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

**Production partner:** An organization or commercial entity that an ASMO may partner with in the production or processing of their certified metals, e.g. a cyanidation plant, or ore crushers.

**Registered members:** All members within the System of Production of the ASMO are to be registered. Only registered members are allowed to deliver into the Fairtrade supply chain. The ASMO is responsible for compliance with all Standard requirements that apply to registered members.

An operator who processes is also considered a "member". As all processing units are to be registered for the System of Production and Internal Control System, its operators are also registered members. Members can be miners, processors, selectors, workers, etc.



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

**Registration, registered by the organization and Mining Plan:** The ASMO registers all miners that are part of its System of Production and are allowed by the ASMO to extract and/or process mineral from the ASMO's mining area. The ASMO also has a Mining Plan identifying all areas where miners are operating. The ASMO registers all miners and units of production (family group, small business, etc.) that have decided to initiate the process of certification. The ASMO registers all volume of minerals produced by its System of Production. The ASMO registers all Domestic Processing Units that belong to miners already certified in the ASMO's system of Production, as well as those of miners that have decided to initiate the process of certification.

**Rehabilitation:** Land restoration as close as possible to the conditions that existed before ASM started or suitable for intended post-mining use of the land.

**Rush ASM:** Rush ASM occurs when there is mass migration to gold rich areas or a recently discovered deposit, based on the perception of attractive income opportunities that exceed people's current actual income. Rush mining may occur at places where more permanent (either full-time or seasonal ASM) already occurs, or at 'virgin' places where no ASM has taken place before. In the case of the latter, it is called Newcomer ASM (see above). It is not uncommon for former rush areas to become new communities and rush miners to settle in the area. Rush ASM is out of scope for Fairtrade certification when it is Newcomer Mining.

**Shareholder or owner of the ASMO:** An ASMO can have different forms of ownership, the majority of which are artisanal and small-scale miners. Shares of the ASMO cannot be held by Industrial Mining companies.

**System of Production:** The ASMO defines its scope prior to Fairtrade certification through the description of its System of Production and registration of areas, processes and miners. The System of Production is an exclusion/inclusion scheme.

**Tailings:** Intermediate or final product from mineral processing with a low concentration of metal. Tailings are deposited at tailings dumps or in tailings ponds. In some cases tailings can be reprocessed to recover remaining metal. If so, tailings are then subject to traceability, registration, and scoping of the System of Production.

**Trader:** Any entity in the supply chain who buys or sells the gold (including processors: refiners, smelters, etc.)

**Waste rock:** Mineral which does not contain gold or contains uneconomic gold grades, and is therefore permanently or temporarily disposed of without further processing.

**Women Mineral Selectors:** Women who may have specific denominations, such as in Peru: Pallaqueras, Bolivia: Pailiris, Ecuador: Jancheras, etc that select minerals from the waste rock ([see above under Mineral Selectors](#)). In some cases these groups may also include male mineral selectors, such as retired or disabled persons.



**Workers:** The term “workers” refers to all waged employees of the ASMO, and of registered miners or their organizations – including processing units. It includes migrant, temporary, casual, seasonal, sub-contracted and permanent workers.

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

- a micro enterprise, family unit, small enterprise or other types of organization;
- owner, holder or members of the ASMO working as a team (with or without additional workers);
- ASMO owner/member working with his or her workers;
- ASMO owner/member working with his or her family.

**Young people:** Young people are people between ages of 18 years to 24 years according to UN definition





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## Annex 2 Principles for Responsible ASM

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(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 marginalization 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 into collaboration with armed groups or armed individuals (e.g. financial contributions, delivering of information etc.)

(See also definitions of the OECD Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.)

## **Annex 3 Fairtrade Geographical Scope Policy of Producer Certification**

### **Purpose**

The purpose of the Fairtrade International geographical scope is to determine in which countries producer organizations can be Fairtrade certified. The countries currently included in the scope are listed below.

### **Approach**

Fairtrade International considers income per capita, wealth disparity and other economic and social indicators, as well as long-term impact for producers and Fairtrade International's ability to support producers, to determine which countries can be included in the geographical scope (see guidelines on page 4 for more details). Excluded from Fairtrade International's geographical scope are members of the European Union and G8-countries.



Fairtrade International reserves the right to make discretionary amendments to the geographical scope in line with specific product strategies.

### Review

The review of the policy follows the Standard Operating Procedure for the development of Fairtrade Standards, which determines a 5 year routine review cycle and provides for more frequent reviews in case of need. The Fairtrade International Board makes final decisions regarding the geographical scope policy.

Fairtrade International units, member organizations, or other relevant stakeholders can submit requests to amend the geographical scope by writing to [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net). Standards & Pricing evaluates the requests, does any relevant additional research and makes proposals regarding any scope amendments.

### Fairtrade Pricing regions

The countries in the geographical scope are divided into the Fairtrade pricing regional divisions, as listed in the [Fairtrade Minimum Price and Premium table](#).

Africa and the Middle East				
Northern Africa	Middle East	Western Africa	Eastern Africa	Southern Africa
Algeria	Iraq	Benin	Burundi	Angola
Egypt	Jordan	Burkina Faso	Congo (DRC)	Botswana
Libya	Lebanon	Cameroon	Djibouti	Comoros
Morocco	Oman	Cape Verde	Eritrea	Lesotho
Sudan	Palestine	Central African Republic	Ethiopia	Madagascar
Tunisia	Syria	Chad	Kenya	Malawi
	Yemen	Congo	Rwanda	Mauritius
		Cote d'Ivoire	Somalia	Mozambique
		Equatorial Guinea	South Sudan	Namibia
		Gabon	Uganda	Seychelles
		Gambia	Tanzania	South Africa
		Ghana		Swaziland
		Guinea		Zambia
		Guinea-Bissau		Zimbabwe
		Liberia		
		Mali		
		Mauritania		
		Niger		
		Nigeria		
		Sao Tome and Principe		
		Senegal		
		Sierra Leone		
		Togo		



<b>Asia and Pacific</b>					
<b>Western Asia</b>	<b>Central Asia</b>	<b>Eastern Asia</b>	<b>Southern Asia</b>	<b>South-Eastern Asia</b>	<b>Pacific</b>
Armenia Azerbaijan Georgia	Kazakhstan Kyrgyzstan Tajikistan Turkmenistan Uzbekistan	China* Korea (DPRK) Mongolia	Afghanistan  Bangladesh Bhutan India  Iran  Maldives Nepal Pakistan Sri Lanka	Cambodia Indonesia Laos  Malaysia Myanmar Philippines Thailand  Timor-Leste  Viet Nam	Cook Islands  Fiji Kiribati Marshall Islands Micronesia Nauru  Niue Palau  Papua New Guinea Samoa  Solomon Islands  Tokelau Tonga Tuvalu Vanuatu  Wallis and Futuna Islands

\* In China, producers can only be certified against the Standard for Small Producer Organizations. Contract Production and Hired Labour set-ups cannot be certified as Fairtrade in China.

Companies in China can be certified as traders for all Fairtrade products except cotton. Only under the Fairtrade Cotton Sourcing Program can companies processing cotton in China be “Fairtrade verified” and the Price and Premium payer “Fairtrade certified” for cotton.

<b>Latin America and the Caribbean</b>		
<b>Central America and Mexico</b>	<b>Caribbean</b>	<b>South America</b>
Belize Costa Rica El Salvador Guatemala Honduras Mexico Nicaragua Panama	Antigua and Barbuda Cuba Dominica Dominican Republic Grenada Haiti Jamaica Saint Kitts and Nevis Saint Lucia  Saint Vincent and the Grenadines Trinidad and Tobago	Argentina Bolivia Brazil Chile Colombia Ecuador Guyana Paraguay Peru Suriname Uruguay Venezuela



### Limitations to scope for ASM

There are six Red Flag limitations to scope specific to Fairtrade gold and associated precious metals which trigger an investigation by Fairtrade International. A Red Flag alert can be submitted in writing to FAIRTRADE International by a stakeholder, or designated by FAIRTRADE International in the absence of a stakeholder submission.

Red Flags are raised where the ASMO is operating in:

- areas where conflict between the agricultural activity and ASM activity occurs;
- areas where conflict between large-scale mining and ASM occurs;
- areas where conflict between indigenous peoples and ASM occurs;
- areas protected for environmental or archaeological reasons (protected areas). This exclusion refers to all areas protected under national legislation where mining is not allowed, including its buffer zones;
- areas of armed conflict. This exclusion refers to all areas where there is a risk of ASM and commercial activities related to it, contributing to conflict and human rights abuses.
- Areas identified as critical ecosystems which do not have protected status, but have high conservation value. This exclusion refers to all areas identified by conservation organizations or other stakeholders as critical for the resilience of threatened ecosystems and endangered species, and where there is a risk that the ASM and related subsistence activities will have irreversible and deleterious impacts upon these.

Such areas will be identified by FAIRTRADE International according to the “Explanatory Document and Procedure for the determination of Areas Temporarily Excluded (ATE)”. ASMOs can receive an exception and apply for certification only if they can demonstrate to an independent party that no conflict exists between their organization and the specified party (e.g. surrounding agricultural sector or operator, large-scale mining sector or operator, indigenous peoples).

In the case of protected areas, ASMOs can request an exception and apply for certification if they can demonstrate that they have been working in the area for more than five years under the supervision of a competent environmental authority and if they have mining rights and environmental permits approved.

In the case of critical ecosystems, ASMOs can request an exception and apply for certification if they can demonstrate that the identified deleterious and irreversible impacts can be and are being mitigated to the satisfaction of an independent party.

The request for exclusion of specific areas for certification of ASM must specify the exact areas and the reasons for exclusions. Identification of critical ecosystems and conflict areas must be specific and should, where possible, not cover entire provinces or countries.

In the case of exceptions of areas of conflict with agricultural, industrial mining, and indigenous peoples stakeholders, applicants need to provide positive endorsement by an independent body to the certification body which will be the ultimate authority to decide if certification is granted. Audits need to include verification.

Exceptions which permit certification of ASMOs and their miners operating in Environmentally Protected Areas are intended to:

- a. protect the livelihoods of indigenous communities living in such areas and for whom gold panning is a traditional livelihood, and/or;



b. provide fair treatment of cases where ASMOs were working in areas which were later declared as protected. The threshold period of having operated more than five years in such areas assures that no newcomer ASM activity in such areas can gain certification, but allows for FAIRTRADE metal to be an incentive and enabler for responsible mining practices in areas of high conservation value. The requirement of valid mining rights and environmental permits assures that the exception is aligned with national legal interpretation. Audits need to include verification.

Exceptions from conflict areas recognizes that in conflict and post-conflict areas, ASM can be part of the peace-building solution as ASM is often a preferred livelihood of choice for former combatants, and is also an important part of conflict-resilient livelihoods for conflict-affected people.

## Geographical Scope Review Guidelines

Fairtrade International considers a combination of three factors, as shown below, when reviewing if a country can be **added** to or **removed** from the Fairtrade geographical scope. Any requests submitted to amend the geographical scope should provide information on these factors.

### Social and economic indicators

In order to assess the economic and social situation of a particular country the following indicators have been selected:

- [The OECD-DAC \(Development Assistance Committee\) list of recipients of official development assistance \(ODA\)](#) lists all countries and territories eligible to receive ODA. These consist of all low and middle income countries based on gross national income per capita, as published by the World Bank, with the exception of G8 members, European Union (EU) members and countries with a firm accession date for entry into the EU.
- [The World Bank Gini index](#) measures economic disparity within over 140 countries by considering the distribution of income or consumption expenditure. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
- [The Human Development Index](#) combines life expectancy, education and income indicators to group over 180 countries into four tiers of human development: very high human development, high human development, medium human development and low human development.

Please note: It is recognised that data is not always reliable or available for every country, and that other sources of information may provide more relevant data for specific topics. Therefore other indexes, data sources and relevant information can also be taken into account when assessing the social and economic aspects of countries for this purpose.

### Long-term impact for producers

The long-term impact on the livelihoods and communities of Fairtrade producers is a strategic priority.

Before proposing to **remove** a country from the Fairtrade geographical scope, it is therefore necessary to find out if/how many Fairtrade producers are present, and the implications that such a change could have on existing producers in the Fairtrade system.

It is equally important to take the long-term aims of Fairtrade into account, before proposing to **add** a new country. It would be necessary to consider, for example, before proposing to include any European countries, whether they are likely to join the EU within the next 10 years or so (since EU member states are excluded from the geographical scope). Also, market access and supply chain sustainability of potential producer organizations must be considered.



## Producer support

Fairtrade places high importance on producer support. Before proposing to **add** new countries, it is necessary to find out if producer support would be available. Equally, when proposing to **remove** a country, when relevant the availability of producer support needs to be considered, in order to best carry out any transition.

