

GUIDELINES FOR FAIRMINED LICENSED BRANDS



#GOLDTOBEPROUDOF

Powered by the Alliance for Responsible Mining

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OVERVIEW

Fairmined: “Gold to be proud of”	3
Available certified products	6
Why become a licensed brand	7
9 steps to become a licensed brand	8
Duties and rights of the licensed brands	9
2 sourcing and traceability models	10
Fairmined labeled	11
Fairmined incorporated	14
Comparison of the sourcing models	16
Costs of the Fairmined license	17
Support team	18

FAIRMINED: “GOLD TO BE PROUD OF”

Fairmined is an assurance label that certifies gold from empowered responsible artisanal and small-scale mining (ASM) organizations. The Fairmined initiative was created by the Alliance for Responsible Mining (ARM), globally recognized as a leader and pioneer in its support of responsible ASM.

ASM represents an important development opportunity for artisanal and small-scale miners around the world.

With the Fairmined Standard, we promote responsible mining, helping miners to improve their practices, generate change in their communities and facilitate their access to fair markets. Fairmined transforms mining into an active force for well-being, contributing to institutional, social and environmentally sustainable development to promote a gold to be proud of. Since 2014, we have certified 6 mines which have produced 1613Kg of Fairmined gold.

Most of the mining organizations we work with produce on average 4Kg of gold per month, and therefore do not benefit from economies of scale.

The Fairmined Premium is a market incentive to cover the extra costs involved in responsible mining and to support community development. That is why the Fairmined Standard states that for every kilogram of Fairmined certified gold sold, organizations receive an additional premium of 4000 USD. Since 2014, \$6,272,402 USD in Fairmined Premium has been paid to certified mining organizations.

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



THE FAIRMINED SUPPLY CHAIN ACTORS

Thanks to the Fairmined standard, anyone who buys gold or associated precious metals is supporting responsible artisanal miners. Our Fairmined model is open to all actors in the gold industry who wish to have a positive impact on responsible mining:

- ◆ **Fairmined certified mining organizations:** These are artisanal and small-scale mining organizations that meet the strict legal, technical, organizational, social and environmental requirements of the Fairmined Standard. They are certified and can sell Fairmined gold (and associated metals such as silver and platinum) to the market.
- ◆ **Fairmined authorized suppliers:** They can be refiners, traders, manufacturers and casters. They help mining organizations to access the market and transform gold into inputs for the various segments of the gold industry. To trade Fairmined metals they must become an authorized supplier by signing a trading permit with the Alliance for Responsible Mining.
- ◆ **Fairmined licensed brands:** Brands (e.g. jewelry companies, coin mints, among others) that wish to work with Fairmined gold or silver and want to communicate about it, must sign a license agreement with the Alliance for Responsible Mining.



CERTIFIED MINING ORGANIZATIONS



AUTHORIZED SUPPLIERS



LICENSED BRANDS



FINAL CONSUMERS



FAIRMINED ASSURANCE

The system includes all processes to ensure credibility and consistency with the compliance of all actors in the supply chain with the requirements of the Fairmined Standard: It is supported by a rigorous third party certification and auditing system that ensures that small-scale mining organizations implement internationally recognized responsible practices. Furthermore, the authorization and assurance processes of Fairmined suppliers and licensee brands provide a framework for the processing, marketing and promotion of Fairmined metals.



AVAILABLE CERTIFIED PRODUCTS

Fairmined Gold: Produced under strict legal, economic, organizational, social and environmental criteria. It is the most widely available product in the market.

Fairmined Ecological Gold: This gold meets the same requirements as Fairmined gold and also has stricter environmental requirements, such as the non-use of toxic chemicals in extraction.

Fairmined Silver: It is an associated product included in the Fairmined standard to encourage full use of the mineral deposit. However, not all mining organizations process Fairmined silver, due to its low price and impact, so the supply of Fairmined silver can be limited.

Fairmined Platinum: It is an associated product included in the Fairmined Standard to encourage full utilization of the mineral deposit, but there is currently no certified mining organization offering Fairmined platinum.

The availability of Fairmined products is detailed in [the list of Fairmined authorized suppliers](#).
Contact them directly to find out about prices and delivery terms.



WHY BECOME A FAIRMINED LICENSED BRAND

- ◆ **Generate a positive social and environmental impact in mining organizations:** Value responsible mining practices and form a supply chain to be proud of.
- ◆ **Add value and emotional benefits to your products and your brand:** Tell your customers a story of origin and make a human connection between producers and consumers.
- ◆ **Meet and exceed the growing expectations of consumers:** Guarantee traceability and transparency to your customers.
- ◆ **Stand out from your competitors:** Respond to the growing demand for products with a responsible origin.



9 STEPS TO BECOME A FAIRMINED LICENSED BRAND

To trade Fairmined gold or silver products and make claims about their use, you must become a Fairmined licensed brand. The licensing process is simple and straightforward:



DUTIES AND RIGHTS OF THE FAIRMINED LICENSED BRANDS

1. DESIGN, PRODUCE AND SELL

Depending on the chosen supply model, comply with the composition and traceability rules to create your products or incorporate Fairmined metals into your supply chain.

2. DEVELOP YOUR COMMUNICATION STRATEGY

Follow the Fairmined brand manual and use the communication and marketing material delivered in a digital format.

3. CONFIRM YOUR TRANSACTIONS

Confirm the Fairmined metal purchases reported by your supplier on the Fairmined Connect online platform, at the latest every semester.

4. PASS A THIRD-PARTY AUDIT OR SELF-ASSESSMENT

These processes allow licensees to periodically demonstrate their compliance with the requirements of the Fairmined standard and the license agreement.

5. PAY THE ANNUAL ADMINISTRATION FEE

You can pay the annual fee of USD60 either through a virtual platform by credit card or by bank transfer.

6. BE A COMMITTED LICENSEE

Participate proactively in forums, events, trips and meetings to interact with other actors of the Fairmined initiative and contribute to its development.



SOURCING / TRACEABILITY MODELS

Fairmined authorized suppliers and licensed brands are offered the possibility to choose between two different sourcing models that allows them to work in distinct ways with Fairmined:

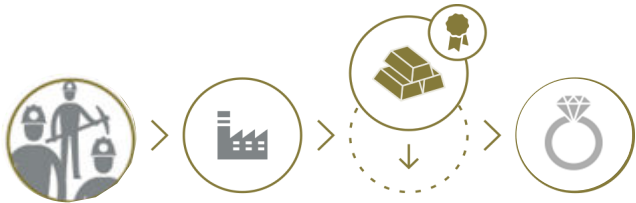
1 - FAIRMINED LABELED

Guarantees complete physical traceability (separation of Fairmined gold from other gold sources) up to the final consumer under the strict product composition rules defined by the Fairmined standard.



2 - FAIRMINED INCORPORATED

Gives greater flexibility in the integration of Fairmined metals into the production chain, allowing the Fairmined gold to be mixed with other sources of gold.



FAIRMINED LABELED

GENERAL FEATURES

- ◆ Complete physical traceability of Fairmined metals from the mine to the market.
- ◆ Strict rules of composition of the final product.
- ◆ The use of the Fairmined hallmark in final products is allowed.

ELEGIBLE PRODUCTS

- ◆ Jewelry and semi-finished jewelry components, including watches.
- ◆ Coins, ingots and bullion products of a commemorative and / or financial nature.
- ◆ Medals and trophies.
- ◆ Religious objects.
- ◆ Gold and gold sheets for artistic / manual / mechanical or / electric / chemical coating, medicinal and cosmetics products.

TRACEABILITY RULES

All the actors in the supply chain that use or handle Fairmined metals must ensure compliance with the physical traceability requirements at all times. The mixing of Fairmined gold or silver with gold or silver from other sources (mass balance) is not allowed. The licensee must be able to demonstrate the segregation of Fairmined metals throughout the whole production process.

In addition, the licensee has to ensure that its subcontractor/s comply with the same physical traceability requirements.

PRODUCT COMPOSITION RULES

Fairmined gold or silver must constitute 100% of the fine gold or silver content of the final product. In gold alloys, the use of Fairmined certified silver (Ag) or platinum (Pt) is voluntary and remains at the discretion of the manufacturer.

Minimum purity



EXCEPTIONS TO THE PRODUCT COMPOSITION RULES

There are the following exceptions to the 100% rule:

- ◆ **Pre-fabricated items of jewelry** that aren't available in Fairmined certified metals can be used to make a Fairmined labeled product, but must not exceed 15% of the total fine gold content. If they exceed the 15% the product cannot be promoted as being made of Fairmined gold.
- ◆ **Lock mechanisms:** If the jewelry piece is part of a collection and if there are no Fairmined suppliers who offer the lock mechanism or it cannot be reasonably produced by Fairmined suppliers. This exemption must be consulted with your Fairmined account manager.
- ◆ **Mechanical elements of watches** don't have to be in Fairmined metals, only the watch case must be made 100% from Fairmined gold.

COMMUNICATION AND MARKETING

- ◆ Claims can be made on the package or the Point of Sale (POS) that the final product is made with Fairmined certified gold.

Example: "This product/collection is proud to be made with Fairmined certified gold."

- ◆ Hallmarking or stamping of the final product with the Fairmined logo.
- ◆ Use of the product certificate of authenticity.
- ◆ Use of the Fairmined logo and messaging in communication material and at the POS, always with reference to the products that contain Fairmined gold.
- ◆ Reference to the mining organization where the gold comes from.





REPORTS

Licensed brands must confirm their Fairmined transactions on the virtual platform “Fairmined Connect” at least every semester. The platform registers all information related to the various Fairmined supply chain actors, ensures documental traceability control throughout the supply chain and helps to manage audit and certification processes.



ASSURANCE SYSTEM

Audits are flexible and their frequency depends on the amount of Fairmined gold and silver purchased by the licensee:

- ◆ If the licensed brand purchases less than 1.5kg of Fairmined gold or 20kg of Fairmined silver within 3 years he will have to do a self-evaluation through the "Fairmined feedback report".
- ◆ If the licensee licensed brand more than 1.5kg of Fairmined gold or more than 20kg of Fairmined silver within 3 years it will receive a documentary audit by an external auditing company. The audit will be necessary at the time of having accumulated purchases of the quantities of purchased metal established. licensed brands should only undergo an audit every 12 months. The first audit is due at the earliest 1 year after signing the License Agreement.

In order to save time and costs, the Alliance for Responsible Mining facilitates joint audits and simplified review processes for members of other entities.



FAIRMINED INCORPORATED

GENERAL FEATURES

- ◆ Provides a flexible way to incorporate responsibly sourced Fairmined certified gold into your supply chains.
- ◆ Physical traceability is required until the gold is delivered from the certified mining organization to the first authorized buyer. Segregated refining is not required and the Fairmined gold can be mixed with gold from non-Fairmined sources.

ELIGIBLE PRODUCTS

No specific products are produced with Fairmined gold. It is incorporated into production chains, mixing it with other sources of gold. The final product is not exclusively made with Fairmined gold and thereby cannot be promoted as a product made of Fairmined metals.

TRACEABILITY AND COMPOSITION RULES

- ◆ Documental traceability must be kept, meaning that the licensee always can prove all purchases and uses of the Fairmined gold.
- ◆ Licensed brands are free to integrate the gold into their supply chain as they see fit.

COMMUNICATIONS AND MARKETING

- ◆ Claims can be made at a corporate, CSR, sustainability reporting level and must not refer to specific consumer products as being made with Fairmined gold.
- ◆ Claims can express the amount of premium paid and/or volume and/or percentage of the Fairmined gold purchased in a given calendar year.

Example: "In 2017 we are proud to announce that we have sourced XXX kilograms of Fairmined certified gold."

- ◆ Fairmined logo, messaging and marketing material may never be used in connection with a specific product. Whenever the Fairmined logo is used it must be accompanied by a factual expression of the involvement of the partner in Fairmined supply. This text must be approved by Fairmined prior to publishing in print or online.

REPORTS

Licensed brands must confirm their Fairmined transactions on the virtual platform “Fairmined Connect” at least every semester. The platform registers all information related to the various Fairmined supply chain actors, ensures documental traceability control throughout the supply chain and helps to manage audit and certification processes.

ASSURANCE SYSTEM

Licensed brands that source uniquely under the Fairmined incorporated sourcing model can choose to perform a self-assessment through 1) a Fairmined feedback report or 2) undergo a third party audit. These assurance measures must be carried out every time you have purchased an amount equal to or greater than 1.5 kg of Fairmined Gold or 20 kg of Fairmined Silver or every three years if you purchase below that threshold.

For licensed brands also working under the Fairmined labeled model, the audit rules of this model are imposed (see p. 13). In order to save time and costs, the Alliance for Responsible Mining allows joint audits for RJC COC certified brands and a process of recognition of Fairtrade audits for licensee brands of this scheme. You can contact our team to learn more: cert@responsiblemines.org.



COMPARISON OF THE TWO SOURCING MODELS

	FAIRMINED LABELED	FAIRMINED INCORPORATED
ELIGIBLE PRODUCTS	<p>Jewelry and semi-finished jewelry components, including watches.</p> <p>Coins, ingots and bullion products of a commemorative and / or financial nature.</p> <p>Medals and trophies.</p> <p>Religious objects</p> <p>gold and gold sheets for artistic / manual / mechanical or / electric / chemical coating, medicinal and cosmetics products.</p>	<p>No specific products are produced with the Fairmined gold.</p>
PHYSICAL TRACEABILITY RULES	✓	✗
DOCUMENTARY TRACEABILITY RULES	✓	✓
FREEDOM IN THE COMPOSITION OF THE PRODUCTS	✗	✓
FAIRMINED CLAIMS ON A CORPORATE LEVEL	✓	✓
FAIRMINED CLAIMS ON A PRODUCT LEVEL	✓	✗
FAIRMINED HALLMARKING OF FINAL PRODUCTS	✓	✗
BIANNUAL REPORTS ON FAIRMINED CONNECT	✓	✓
AUDIT BY THIRD PARTY	Obligatory beyond a certain threshold	Obligatory beyond a certain threshold
FAIRMINED FEEDBACK REPORT	If you don't apply for an audit by third party	If you don't apply an audit by third party

COSTS OF THE FAIRMINED LICENSE

DIRECT COSTS		
Direct costs related to the Fairmined license. These payments are made either to the Alliance for Responsible Mining or an external audit company.		
LICENSE COST	Licensed brands shall pay an annual administration fee to the Alliance for Responsible Mining.	60 USD/year
AUDIT COST	Self-Assessment through the Fairmined feedback report, to be paid to the Alliance for Responsible Mining.	300 USD/ every 3 years
	Documental third-party audit, to be paid to the auditing company.	1000 - 2000 USD /day of audit *
INDIRECT COSTS		
These are the indirect costs paid by the Fairmined authorized supplier (normally the refiner) to the mining organizations or to the Alliance for Responsible Mining. These costs may be included in the gold price the licensee has to pay.		
GOLD COST	The Fairmined gold price includes: <ul style="list-style-type: none"> ◆ A minimum price of 95% of the LBMA price ◆ The Fairmined premium ◆ The Fairmined development fee 	
FAIRMINED PREMIUM	Fairmined gold	4 USD/gr
	Fairmined silver	0,1 USD/gr
	Fairmined ecological gold	6 USD/gr
DEVELOPMENT FEE	The development fee is paid for gold purchases and helps the Alliance for Responsible Mining to maintain and develop the Fairmined initiative.	0,70 USD/ gr

*Indicative rates provided by the auditing entities SCS Global Services and Mazars that may vary depending on the country. The audit firm defines the exact costs.

SUPPORT TEAM

Your main contacts for Fairmined within the Alliance for Responsible mining are:

BRANDS AND SUPPLIERS SUPPORT



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MARKETING & SALES



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REPORTING & AUDITING



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COMMUNICATIONS



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PAYMENT



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Head of Administration
& Finance
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We offer you the following services:

- ◆ Contacts with the Fairmined authorized suppliers.
- ◆ Communication and marketing materials, pictures and stories that allow you to share the positive Fairmined messages.
- ◆ Customized support to communicate efficiently about Fairmined.
- ◆ Facilitate the connection with mining organizations.
- ◆ Facilitating trips to the certified mining organizations.
- ◆ Support in press work on Fairmined topics.
- ◆ Promotion of your brand through Fairmined communication channels.
- ◆ Awareness raising of Fairmined in the media and international events.

More than 60 people work for the Alliance for Responsible Mining and the development of the Fairmined program.

To know more about our areas of work and projects visit

[http://www.responsiblemines.org/.](http://www.responsiblemines.org/)



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