



Fairtrade and Fairmined gold

PRADD meeting
Gemma Cartwright, Gold Project Manager

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FAIRTRADE

Global Fairtrade

- Global Estimated Retail Sales Value 2010: €4.3bn
- Recognition of FAIRTRADE Mark >80% of people in UK
- 827 producer groups and >1m producers across Latin America, Africa & Asia
- 1000s different products avocados to zucchinis
- An independent guarantee
- Producers receive a Fairtrade Minimum Price & Fairtrade Premium which the group can invest as it chooses
- More stable trading relationships
- Improved access to markets for disadvantaged producers
- Greater protection of the environment



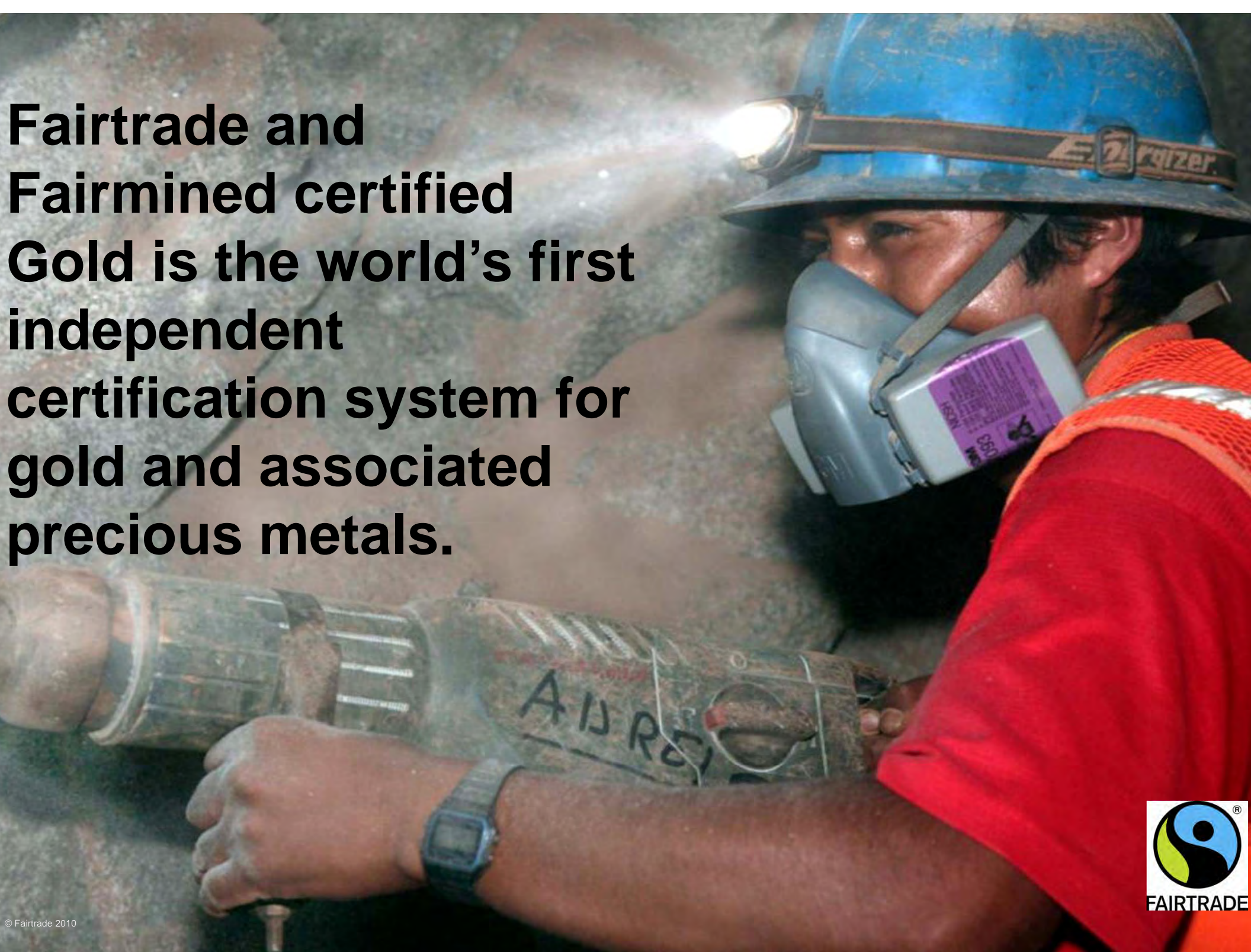
ASM and Fairtrade

- Worldwide 100m people dependent on ASM
- ASM account for 10% of the global gold supply and 90% of the labour force in gold extraction
- 15m ASM gold miners working in dangerous & hazardous conditions
- Miners unable to attain benefit from high value product and live in communities characterised by poverty
- Global jeweller industry worth €185bn in 2010



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Fairtrade and Fairmined certified Gold is the world's first independent certification system for gold and associated precious metals.



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The Partnership



A joint vision for Fairtrade and Fairmined

“...bring more secure and sustainable livelihoods, to artisanal and small scale miners who produce environmentally and socially responsibly mined precious metals and stones so that they can fulfil their potential, decide their future, enjoy an improved quality of life for themselves, families and communities.”

The long term vision is to capture 5% of the gold jewellery market in key consumer markets (USA and Europe) over a 15-year period. This will create sustainable development opportunities for a targeted 100,000 - 200,000 miners and 1.4million dependents. (2009 Business Plan)

By 2015 (Mined Products Strategy, 2011 and ARM's 2011-2014 AIM)

- 300,000 miners in Latin America, Asia & Africa are benefiting
- Products available in 90% of LI markets
- Beacon of best practise and knowledge on ASM.
- Feasibility into other mined products



Current Situation



- 3 certified groups; two undergoing auditing process and work has started with 3 more.
- This puts us at available volumes of 27 kilograms/month from Q1-2012.
- Around 2,000 miners – impacting around 8,400 persons (average LA family 4.2)
- Profiling 30 new organisations in LA, piloting in Africa and preliminary work in Asia.
- Rolling out of ARMs Producer Services Unit.



- 40 licensees (including diamond brands, various sized businesses) in UK & Canada.
- 100s registering interest (SMEs) – prime market for industry across Europe, Japan, Australia, New Zealand & North America
- Product Introduction in Netherlands & Scandinavia in 2011 with others across Europe in 2012
- Wedding jewellery
- Positive response from commercial partners.



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Past and Present

2007

ARM Standard Zero

2008

Pilots

Consultation with LIs and producer networks

2009

Business plan and standard approved by ARM/FLO

2010

ARM/ Fairtrade contract signed

Standard Published


2011

UK / Canadian / Nordic Product Launch

Other Launches



Developing the Market

- Creating commercial demand
 - Trader certification
 - Market mapping
 - Licensee identification
- 
- Creating consumer demand
 - The dual label
 - Consumer insights from research
 - Development of Brand positioning

Tools for both commercial and consumer audiences
Launch plan



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Business development

20 initial jewellers specifically targeted to maximize media impact :

- Bespoke designers
- Luxury brand
- Wedding/engagement specialists

7 Suppliers registered 6 months ahead of launch to process certified metal from ASM to licensee



Discreetly Bizarre'
Gold Sapphire
Ring



Discreetly
Bizarre Gold
Ruby Ring



Discreetly
Bizarre Bangle



Discreetly Bizarre
Fairtrade gold &
citrine ring



Discreetly Bizarre
wrapped ring

New Resources

- The dual stamp
- Gold impact report
- Gold dedicated website
- Film footage
- B2B marketing leaflet



Project Title sits here

Trade press & Product launch events

- Gold trade press event (100 attendees)
- Producer visits
- Release of gold report
- Building relationships with traders
- Product launch attended by 200 people



Project Title sits here

Legacy- media work

- £15m media attained at launch
- Guardian composite advert
- Innovative regional stories
- Campaigner movement support



Challenges

- Formalising mining organisations – helping them understand the benefits
- Preparing for export – support needed for all in supply chain
- Miners not able to sell gold in line with cash-flow requirements
- High levels of support needed for miners to export
- Impact of the high price of gold
- General decline in the gold market
- Non-secured funds for supply expansion and new product development
- Rights for ASM: Advocacy work needed alongside producer support
- Standards review to reflect auditing and miner realities



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