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Tracing the True Cost: Unlocking Premium Prices for Sustainable Metal Mining?

We recently followed up with Peak Rare Earths regarding the sustainability practices and highlighted the potential for establishing premium pricing for sustainably sourced metals in the mining sector.

Shein's IPO Listing Difficulty: Market Still Cares

Shein, known for its low-cost, fast-fashion business model, has encountered significant hurdles in its IPO listing process. The core issue stems from the company's sustainability practices—or rather, the lack thereof. Fast fashion, by its very nature, often involves rapid production cycles, low prices, and high turnover of styles, which can lead to significant environmental and social impacts. Market regulators and investors have raised concerns about Shein's environmental footprint, labor practices, and overall sustainability record, reflecting the **market's concern about sustainability**.

NATIVA Traceability Program: Fashion Sector's Willingness to Pay Premium Price

Another example of the market care is the NATIVA™ traceability program. Launched by **Chargeurs** Luxury Materials, the world leader in luxury combed wool, NATIVA™ traceability program provides fully traceable premium wool fibre. By utilizing blockchain technology, the program ensures that every transaction, from shearing to final production, is documented and cannot be altered, providing consumers and brands with complete transparency from farm to brand and verifiable data on the wool's origins and the sustainability practices involved. Its customers are willing to pay premium price for the traceable wool as it allows them to meet sustainability targets and demonstrate their commitment to ethical sourcing and environmental stewardship. The willingness of these brands to pay a premium for NATIVA™ wool underscores **the market's valuation of transparency and sustainability**.

Reimagine Responsible Mining: Mining Sector vs. Fashion Sector

The fashion sector's shift towards sustainable and traceable sourcing offers valuable insights for the mining industry. **Just as luxury brands are willing to invest in premium, fully traceable wool, there is a growing potential for the mining sector to adopt similar standards.**

By mirroring the practice seen in the fashion industry, why cannot we reimagine a premium price paid by premium electrical vehicles manufacturers such as Tesla for responsibly sourced battery metals?

At Gaia, we are committed to sustainable mining investments through our open research and investment solutions platform, next-gen fund management platform to democratize sustainable mining investments and promote best practices in the industry.