

## **Key Principles of Fair Trade**

### **Creating opportunities for economically disadvantaged producers**

Fair trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalized by the conventional trading system.

### **Transparency and accountability**

Fair trade involves transparent management and commercial relations to deal fairly and respectfully with trading partners.

### **Capacity building**

Fair trade is a means to develop producers' independence. Fair trade relationships provide continuity, during which producers and their marketing organizations can improve their management skills and their access to new markets.

### **Payment of a fair price**

A fair price in the regional or local context is one that has been agreed through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for equal work by women and men. Fair traders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing.

### **Gender Equity**

Fair trade means that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process and are empowered in their organizations.

### **Working conditions**

Fair trade means a safe and healthy working environment for producers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as the law and norms in the local context.

### **The environment**

Fair trade actively encourages better environmental practices and the application of responsible methods of production.