



World Fair Trade Organization Europe (WFTO-Europe)
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16.01.2025

President Ursula von der Leyen
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels

Dear Commission President von der Leyen,

We, the World Fair Trade Organisation Europe (WFTO-Europe), **representing 80+ Fair Trade enterprises across Europe**, are writing to express our concern regarding the recent announcement of an “omnibus review” to revise the Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD), and the EU Taxonomy. Ahead of the presentation of the package on February 26, 2025 in the College of Commissioners, we therefore want to raise important points from our company perspectives for your consideration.

While we understand the European Commission's objective to simplify EU burden on companies, as companies ourselves, **we are apprehensive that this initiative may unintentionally undermine the substantial progress made in promoting sustainable and responsible business practices in the EU**. While we have heard your guarantees that the content of the directives will remain the same, we have seen from the recent developments on the EU Deforestation Regulation (EUDR) that any modification risks reopening the files significantly. This would be detrimental for reasons of legal certainty, and for the advancement of human rights, environmental protection, and Fair Trade principles.

We urge the Commission not to amend the CSDDD. The Commission's impact assessment of the CSDDD has shown that the Directive is an important catalyst for the EU's competitiveness.¹ A review of 2000 studies assessing the impact of French HREDD law confirm that the obligations have brought mid-to-long-term competitiveness benefits² — especially as global demand increases for businesses to be more transparent in their human rights and environmental practices. Further, the Commission's own impact assessment finds that “integrating sustainability aspects into corporate decisions is directly correlated with operational cost reductions, resilience, more innovation, better access to capital, better financial performance of businesses, which can materialize in the short-run but is likely in particular in the medium to long run.”³

We can testify to that: **As Fair Trade enterprises, our long-standing commitment to human rights due diligence and transparency about our steps to ensure our business is fair and equitable, demonstrates that implementing due diligence is a catalyst for positive change.** In our experience, embracing ethical business practices has fostered a

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52022SC0042>

² https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2699610

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52022SC0042>



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more equitable and sustainable business environment that benefits both companies and communities. This is also the case for large companies; companies that score high in the Corporate Human Rights Benchmark have demonstrated sustained year-on-year growth.⁴

Furthermore, we firmly support the mandatory reporting of information related to sustainability, via the CSRD. The CSRD provides a clear solution to a problem repeatedly identified by companies, financial market participants and supervisory authorities and noted in the impact assessment carried out by the EU Commission in preparation of the CSRD.⁵ As companies, we are deeply supportive of informing the public about our sustainability measures, and consider it important to communicate that our supply chains are fair and ethical. The CSRD requires companies to assess what datapoints are relevant to their supply chains via a double materiality assessment, and then report on only these. This provides sufficient flexibility and does not create unnecessary burden. As SMEs that embed Fair Trade principles, we have been champions of working together with our suppliers and in sharing costs and responsibilities, rather than passing burden onto them. Learning from our experiences, we are certain that the Commission can find ways to support SMEs and reduce burden, in ways that do not lower the bar for everyone.

We are convinced that the **EU's sustainability rules do not impede competitiveness but rather enhance it.** A robust sustainability framework strengthens the EU's position as a global leader in responsible business practices, boosting investor confidence and consumer trust. By upholding the integrity of these directives, the EU can cultivate a business environment that rewards responsible actors, attracts investment, and promotes innovation.

We therefore call on the European Commission to:

- Provide legal certainty and uphold the CSDDD, the CSRD and the EU Taxonomy, and maintain the current ambitious levels of sustainability requirements, which are not only feasible but also a driver for competitiveness and positive change in the EU.
- Prioritise timely and detailed guidance for businesses to ensure clarity and facilitate effective implementation.
- Invest in support measures, including financial support for SMEs, with a view towards supporting sustainable and Fair Trade business.
- Embed principles of Fair Trade into EU policies to build an EU that champions responsible business conduct.

Sincerely,

World Fair Trade Organization Europe together with the following direct signatories:

⁴ <https://www.worldbenchmarkingalliance.org/corporate-human-rights-benchmark/>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021SC0150>



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