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Fair Trade companies call on EU legislators to ensure risk-based approach in revised CSDDD

As the EU renegotiates the Corporate Sustainability Due Diligence Directive (CSDDD), we as companies based in the Europe call on the EU's legislators to ensure legal certainty and a level playing field for businesses implementing sustainability policies.

We firmly reject calls to repeal or significantly weaken the CSDDD. As Fair Trade enterprises - mission-led businesses upholding high levels of due diligence on Human Rights and Labour Rights in our supply chains - we are pioneers in implementing policies to improve labour conditions and livelihoods of the producers and workers making the products that we sell. Through this, we have seen first hand that implementing due diligence is a catalyst for positive change, which reflects what the data shows as well: Companies that score high in the [Corporate Human Rights Benchmark](#) have demonstrated sustained year-on-year growth.

However, voluntary HREDD frameworks on their own are not sufficient. There is a need for a level playing field, in which a common minimum for our sectors as a whole is guaranteed. The CSDDD provides such a level playing field for sustainable business practice. By mandating companies to conduct risk-based due diligence, the CSDDD enhances supply chain resilience and boosts EU competitiveness. We are not alone in this view; on the contrary: We join the ranks of [countless other initiatives](#) in calling for the core provisions of the CSDDD to be upheld.

While we agree with the European Commission's objective to simplify the CSDDD and reduce those EU regulations that have little impact but high burden on companies, we are apprehensive that the proposals on the negotiating table may unintentionally undermine the substantial progress made in promoting sustainable and responsible business practices in the EU. Specifically, the proposed restriction of due diligence to direct suppliers and the requirement for plausible information to emerge from external sources defeats the purpose of proactive risk prevention. Further, the scope of companies covered by the CSDDD - 1000 employees on average and a net worldwide annual turnover of 450 million EUR - must be maintained, so as not to penalise companies who have already invested, and to ensure that the CSDDD truly levels the playing field among companies.

Ahead of the discussion of the draft report in the JURI committee of the European Parliament, we therefore call on all MEPs in this committee, and the co-legislators in the European Parliament and the Council of the European Union to:

1. Commit to legislating an ambitious CSDDD that levels the playing field for companies for sustainable business practice and maintain the current scope of companies covered by the CSDDD.



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2. Ensure that the CSDDD is aligned with international standards, i.e. the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.
3. In line with the above, maintain a risk-based approach, in which companies examine the most pertinent aspects throughout all tiers of their supply chains proactively. This will ensure that time and money are invested where they matter.

Sincerely,

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

Altromercato Impresa Sociale	Fair Trade Danmark
ARGE Weltladen	Fondaciòn COPADE
BH Crafts	GEPA
Cha Dô Teehandels GmbH	Greater Goods Ltd.
CTM Agrofair	Palingen S.r.l.
Heidelberger Partnerschaftskaffee	Kipepeo Bio & Fair GmbH
Elvang Denmark A/S	MITKA
EMGAN SAS	Palingen S.r.l.
Ethiquable Benelux	Shared Earth UK Ltd.
EZA	Tampereen Kehityskauppa
El Puente	Ulandsforeningen Svalerne
El Tucan	Weltladen-Dacherband e.V.



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