

FoodDrinkEurope views on the European Commission Proposal for a Directive on Corporate Sustainability Due Diligence

Today, we are faced with growing global challenges such as climate change, environmental degradation, biodiversity loss and malnutrition. These are affecting our sector and society alike and need to be tackled with the engagement and co-operation from all actors throughout the food supply chain and beyond.

The European food and drink industry has been leading by example by adopting the highest standards for sustainable value chains, including the respect of human and labour rights, as well as putting environmental protection at the heart of its business activities and the wider food value chain.

More than ever, Europe's food manufacturers are determined to help address global challenges by transitioning towards more sustainable food systems, supporting the implementation of the United Nations Sustainable Development Goals (SDGs), the European Green Deal and its key strategies, including the EU Farm to Fork Strategy and EU Biodiversity Strategy for 2030. More recently, FoodDrinkEurope helped lead on the development of an EU Code of Conduct on Responsible Food Business and Marketing Practices¹, with aspirational actions to identify and implement appropriate solutions and strategies towards sustainable food systems.

FoodDrinkEurope members have voluntarily integrated human rights and environmental due diligence processes into their policies and procedures throughout their value chains, aligning their approaches with the UN Guiding Principles on Business and Human Rights² and the OECD Guidelines for Multinational Enterprises³.

In this context, FoodDrinkEurope supports the European Commission's efforts to establish, through a legislative proposal⁴, an EU-wide harmonised framework that encourages companies across sectors to further address their potential impact on human rights and the environment.

Such legislation should create a level playing field for companies, increase transparency on human rights and environmental challenges along supply chains, and drive collaborative action to address them, while preserving the essential role of enterprises as creators of growth and employment.

¹ [EU Code of Conduct](#) on Responsible Food Business and Marketing Practices

² [UN Guiding Principles](#) on Business and Human Rights

³ [OECD Guidelines](#) for Multinational Enterprises

⁴ [Proposal](#) for a Directive on Corporate Sustainability Due Diligence

In moving forward with the design of the EU Directive, FoodDrinkEurope requests policymakers to take into account the following priorities for the European food and drink industry:

- Ensure that the legislative framework is aligned with **internationally recognised frameworks and standards** (as highlighted above).
- Further clarify **definitions** such as ‘value chains’, ‘business relationship’ etc. and substantiate them with examples in order to avoid confusion on the scope of the proposal.
- Create **legal certainty**, with a clear view on legal responsibilities and expectations, and a **level playing field** amongst all companies operating in the EU Single Market (including companies based outside the EU) by avoiding the divergence of due diligence requirements and enforcement rules across Member States. To this end, due diligence requirements should be coherent, viable, proportionate and mandate a risk-based approach to avoid excessive administrative burden.
- Set up adequate **support measures and tools for SMEs** to comply with the requirements set out in the EU Directive. In this context, it is important to recognise the role that SME’s will play in the implementation of this regulation, especially for the food and drink sector.⁵
- Develop **sector-specific guidelines** to support operators in the implementation of this regulation, using as reference international guidelines and standards. These guidelines should be developed in close consultation with relevant stakeholders of the sector, as well as Member States and other relevant EU agencies, and should be adopted at least one year prior to the entry into force of the EU Directive.
- Ensure that **reporting requirements** highlighted in the EU Directive are aligned with the European Commission’s proposal for a Corporate Sustainability Reporting Directive (CSRD), expected to be adopted this year.
- Ensure that the EU Directive fosters **cross-sectoral industry collaboration** and **on-the-ground engagement** with key stakeholders (i.e farmer and civil society organisations, NGO’s, international organisations, etc.) to address the root causes of adverse human rights and environmental impacts and exchange best practices.
- Encourage **strong partnerships** between the EU and third countries in order to support economic operators in third countries to adequately prevent and mitigate adverse human rights and environmental impacts. Specific attention to the challenges faced by smallholder farmers should also be taken into account.
- Ensure that that this EU Directive is consistent and aligned with **existing EU policies**, including the European Commission’s proposal for a Regulation on deforestation-free products⁶.
- Ensure the establishment of a proportionate **enforcement and sanctions mechanism** that takes into account the specificities of legal frameworks in third countries and works to enable engagement and impactful actions by operators.
- Further recognise **voluntary actions** already carried out by the food and drink sector in the field of sustainability especially as it is considered one of the ‘high risk’ sectors

⁵ SMEs comprise 99% of the food and drink industry - see FoodDrinkEurope 2021 ‘[Data and Trends](#)’

⁶ [EC proposal](#) for a Regulation on deforestation-free products

in the proposal. To this end, clarification will be necessary on how these currently 'high-risk' sectors can progress overtime not be considered 'high risk' anymore.

FoodDrinkEurope looks forward to working together with policymakers and key stakeholders to contribute to the development of a due diligence framework at EU level which will foster sustainable and responsible corporate behaviour.

About FoodDrinkEurope

FoodDrinkEurope is the organisation of Europe's food and drink industry, one of Europe's largest manufacturing sectors, a leading employer in the EU, and a key contributor to the economy (289,000 companies, 99% SMEs, 4.5 million employees).