

Integration of living income in CSDDD



Various sectors, European Union
2020-current

© Fascinadora / iStock



Description

The newly developed EU Corporate Sustainability Due Diligence Directive (CSDDD) requires companies to track and address human rights issues in their supply chains – including living income. The case describes the process of negotiation around the CSDDD and shares lessons on advocacy and policy development.

The CSDDD imposes a form of mandatory due diligence on companies in the EU, regarding the identification, assessment, prevention, mitigation and remediation of human rights violations, including living income (among others). This puts the burden of proof on companies, who will be expected to more actively engage with their supply chain – including with smallholders.



Main Strategy

Integrating living income into market policy



Incentives & motivations

- **Farming households:** Optimism around shared responsibility for living income. Worry on market loss and exclusion.
- **Governments of exporting countries:** Cautious optimism on sharing costs for human rights. Apprehension on market exclusion and lack of inclusivity.
- **Politicians:** Integrate values for universal human rights into concrete legislation.
- **Governments of the European Union, including the Commission and Member States:** Projection of European 'normative' power, leading the way on human rights in trade.
- **Companies:** Level playing field around legislative expectations, and legal stability.

- **Companies (both in 'exporting' and 'importing' contexts):** Fear of loss of competitiveness through enhanced cost burden.



Recommendations

1. **Recognize the interconnection between policy at the level of 'importing governments' and 'exporting governments'.** Policy designed in one region creates effects in the other – the interplay between both contexts should be recognized for effective policy.
2. **Trust the influence of step-by-step mobilization around a common theme, such as living income.** Rome wasn't built in a day. Intermediate steps provide the legitimacy and input which others can build on.
3. **Be consistent in language, solutions, and arguments around living income.** Efforts aimed at harmonizing concepts educate policymakers and politicians alike – who can in turn put it into policy.
4. **Continue building a structural, consolidated advocacy coalition around living income, reaching the right people.** A lobby that is aligned and coordinated, will be considerably more effective than a fragmented network with disjointed language.
5. **Integrate living income in a wider, multidimensional agenda of other social, environmental and economic issues.** Practitioners should not limit themselves to 'living income tunnel vision', but appreciate and consider the broader environmental, social and economic goals that affect and are affected by the living income agenda.

The newly developed EU Corporate Sustainability Due Diligence Directive requires companies to track and address human rights issues in their supply chains – including living income. This case describes the process of negotiation around the CSDDD – and shares lessons on advocacy and policy development.

Introduction

In 2024, the EU Council formally adopted a landmark piece of legislation: the Corporate Sustainability Due Diligence Directive (CSDDD).¹ Although the CSDDD is not solely focused on improving smallholder incomes, it is an example of governments in an importing setting leveraging their market power to promote norms and values to companies placing products on their markets, and to their trade partners outside of Europe – while aiming to promote overall economic development. The directive forms an example of the opportunities generated by mobilizing progressive forces in civil society, the corporate sector, the European Parliament (EP, which was relatively progressive in its 2019-2024 tenure) – and the power of counterforces as the EP took a swing to the right in 2025.

CSDDD as a vehicle for living income

Companies that fall within the scope of the CSDDD are expected to identify, and where needed, address adverse human rights impacts in their supply chain.² The CSDDD refers to living income five times – most importantly, recognizing living income as a firmly protected human right.³

For the first time in history, this has tangibly put living income on the regulatory map.⁴ Despite the lack of clarity that remains around the specific application of due diligence, the liability of companies, and the absence of an institutionalized definition of a 'living income', the formation of the CSDDD yields important lessons for living income practitioners.



1 A year later, the CSDDD was simplified under the Sustainability Omnibus I package.

2 As the FTAO Guidelines for a Living Income in the CSDDD explain, "A company which falls within the scope of the CSDDD is expected to identify, and where necessary, prioritize, prevent, mitigate, bring to an end, minimise and remediate actual or potential adverse human rights impacts connected with its own operations, subsidiaries and their business partners. An 'adverse human rights impact' refers to an impact on a person resulting from an abuse of one of the human rights listed in the Annex to the CSDDD, which includes the right to an adequate living income." See Fair Trade Advocacy Office. "Guidelines for a Living Income in the Corporate Sustainability Due Diligence Directive." Accessed March 2026. <https://fairtrade-advocacy.org/storage/documents/Urbxibw6yXa4XdLV6cu1L6qOazgLa2gW6kS7AsNZ.pdf>

3 European Union. "Corporate Sustainability Due Diligence Directive (CSDDD), Directive (EU) 2024/1760." Official Journal of the European Union L 2024/1760. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760 Annex, Part I, Art 1.6.

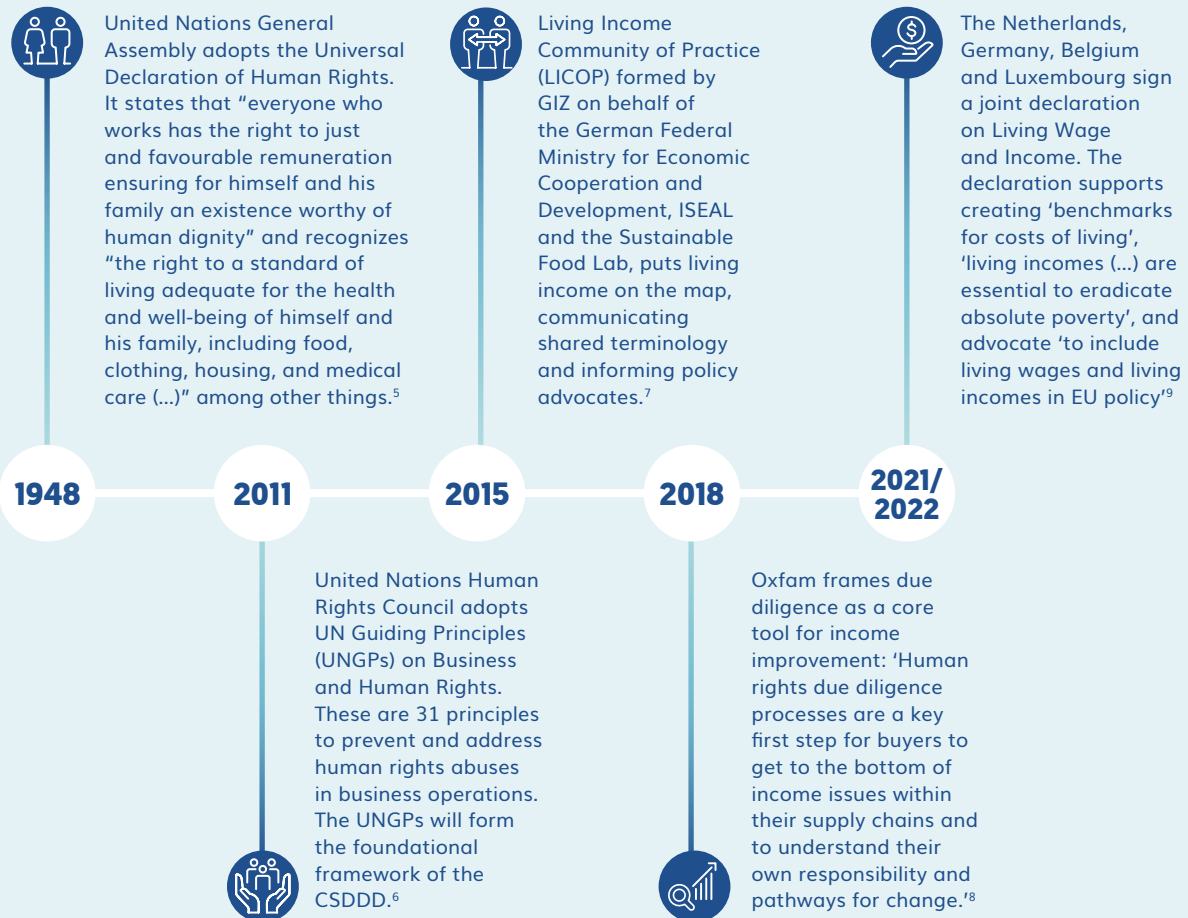
4 The EU Deforestation Regulation also mentions 'living income' explicitly in article 50 of its Regulation. Source: European Union. "EU Deforestation Regulation (EUDR), Regulation (EU) 2023/1115, Consolidated Version." Official Journal of the European Union. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02023R1115-20251226>

CSDDD: a brief history

The CSDDD was not born in isolation – it was only possible because of decades of prior work towards human rights and living income.

Box 1 shows a selection of this chain of events that formed the springboard to the CSDDD.

Box 1: Timeline of steps preceding CSDDD and its integration of living income (selection)



⁵ United Nations. "Universal Declaration of Human Rights." 1948. <https://www.un.org/sites/un2.un.org/files/2021/03/udhr.pdf>

⁶ United Nations Human Rights Office of the High Commissioner. "Guiding Principles on Business and Human Rights." 2011. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf ;

⁷ Living Income Community of Practice. n.d. Living Income. Accessed April 2, 2026. <https://www.living-income.com/>

⁸ Gneiting, Uwe, and Joanne Sonenshine. 2018. A Living Income for Small-Scale Farmers: Tackling Unequal Risks and Market Power. Oxford: Oxfam. <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620596/dp-living-income-smallscale-farmers-151118-en.pdf>

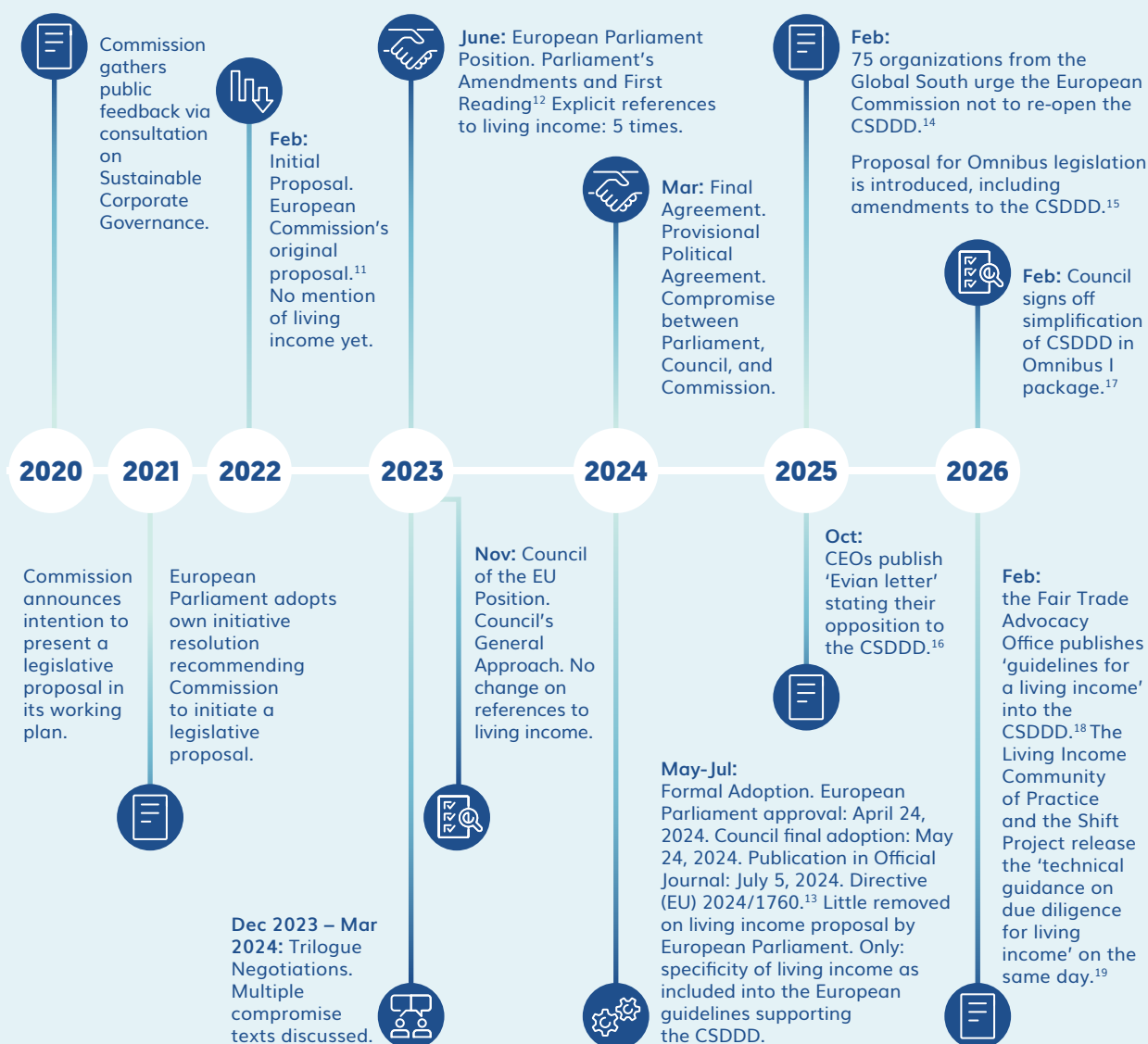
⁹ IDH, the Sustainable Trade Initiative. "Joint Declaration on Living Wage and Living Income (Netherlands, Germany)." 2021. https://www.idhsustainabletrade.com/uploaded/2021/02/Joint_Declaration_NLD_DEU_270121.pdf

After years of setting the scene, the time was right to follow through with legislation. Within the framework of policies called the EU Green Deal, the CSDDD was proposed by the European Commission in 2022. It was to complement the

Corporate Sustainability Reporting Directive (CSRD) and built on various pieces of preceding legislation. What followed was four years of advocacy and negotiation; see Box 2 for an overview of these events.¹⁰

¹⁰ For a full overview of statements in favor of the CSDDD, please refer to <https://www.we-support-the-csddd.eu/>

Box 2: Timeline of development: CSDDD and integration living income (selection of events)



11 European Commission. "Proposal for a Directive on Corporate Sustainability Due Diligence (COM/2022/71)." 2022. https://eur-lex.europa.eu/resource.html?uri=cellar:bc4dcea4-9584-11ec-b4e4-01aa75ed71a1.0001.02/DOC_1&format=PDF

12 European Parliament. "Text Adopted: Corporate Sustainability Due Diligence (TA-9-2023-0209)." June 1, 2023. https://www.europarl.europa.eu/doceo/document/TA-9-2023-0209_EN.html

13 European Union. "Corporate Sustainability Due Diligence Directive (CSDDD), Directive (EU) 2024/1760." Official Journal of the European Union L 2024/1760. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760

14 Business & Human Rights Resource Centre. "EU: 75 Organisations from the Global South Urge EU Commission to Discard Any Re-Opening of CSDDD." Accessed March 2026. <https://www.business-humanrights.org/en/latest-news/eu-75-organisations-from-the-global-south-urge-eu-commission-to-discard-any-re-opening-of-csddd-commit-to-timely-implementation/>

15 European Parliament. "Legislative Train: First Omnibus Package on Sustainability (Amending CSRD and CSDDD)." Accessed March 2026. <https://www.europarl.europa.eu/legislative-train/package-simplification-business/file-first-omnibus-package-on-sustainability-proposal-amending-csrd-and-csddd?sid=9001>

16 Politico. "Open Letter to European Leaders on Sustainability." 2025. <https://www.politico.eu/wp-content/uploads/2025/10/15/e2c4c71c-bb72-4331-907d-7faf640f28ac-CLEANEvian-2025-Letter-to-President-Macron-and-Bundeskanzler-Merz.pdf>

17 Council of the European Union. 2026. Council Signs Off Simplification of Sustainability Reporting and Due Diligence Requirements to Boost EU Competitiveness, Press Release 116/26, February 24, 2026. <https://www.consilium.europa.eu/en/press/press-releases/2026/02/24/council-signs-off-simplification-of-sustainability-reporting-and-due-diligence-requirements-to-boost-eu-competitiveness/>

18 Fair Trade Advocacy Office. "Guidelines for a Living Income in the Corporate Sustainability Due Diligence Directive." Accessed March 2026. <https://fairtrade-advocacy.org/storage/documents/Urbxibw6yXa4XdLV6cu1L6qQazgLa2gW6kS7AsNZ.pdf>

19 The Living Income Community of Practice, Shift. "Technical guidance on due diligence for living income." 2026. <https://www.living-income.com/news-events/news/technical-guidance-on-due-diligence-for-living-income/>



Incentives & motivations

The formation of the CSDDD – and the integration of living income herein specifically – has been an arena of force and counterforce, and sometimes diverging interests. Below is a selection hereof. Understanding these interests will help living income practitioners become more effective in their own advocacy.

Farming households: Optimism and worry. While the CSDDD does not directly focus on farming households worldwide, it does so indirectly. Motivations around living income and its integration into the CSDDD are inevitably varied. But the bottom line is that many producers have welcomed the greater degree of responsibility for human rights the CSDDD instilled upon companies – including for shaping conditions that enable decent livelihoods for producers and their households.²⁰ The CSDDD aims to prevent the risk of disengagement by emphasizing the expectation for companies to ‘lean into’ high-risk supply chain risks as a measure of compliance; the option of ‘suspending the business relationship’ is a measure of last resort, ‘after attempting to prevent and mitigate adverse potential impacts without success.’^{21,22} In this way, the CSDDD has been designed fundamentally differently than, for example, the EU Deforestation Regulation: where the latter focuses on products (‘deforestation-free’), the former emphasizes company policies and actions.

However, there are concerns that due to a lack of resources, not least caused by low income, ultimately, the burden falls upon the producers. “If there is child labour, farmers are blamed. If there is forced labour, the farmers did it. Deforestation? It’s the farmers”, says Daniel Amponsah, a farmer from Ghana.²³ The ‘burden’ here refers to the paradox for farmers of being expected to prevent human rights violations, while lacking the resources to do so. This connects to the other concern of producers: that high-risk or noncompliance with regulations

will lead to a loss of clients and loss of access to the European market – which may yield the (unintended) effect of reducing their incomes rather than improving them.²⁴ This includes the risk of ‘cut and run’ in which companies shift purchasing to wealthier or more organized farmers that may present a lower risk to their supply chain.

Arguably, effective policy therefore requires inclusion of all relevant voices in the process. But inclusion alone is often not sufficient: existing power imbalances (e.g. between the EU and exporting countries, corporations and smallholders) should always be acknowledged and mitigated. The CSDDD is an attempt at doing so.

Governments ‘Exporting countries’: Cautious optimism and apprehension. Responses from ‘exporting countries’ to the CSDDD vary per government and reflect the responses perceived towards the concept of a living income more generally. The notion of the EU sharing in the responsibility towards the well-being of its people is generally welcomed by many. On the other hand, doubts towards the CSDDD reflect the concerns associated with the space of human rights and ‘development’ more broadly.

The first doubt is a critique of the CSDDD human rights as new forms of neocolonialism through passing legislation with extraterritorial reach. The standards will apply to sovereign states that have not been part of its development. Just like other mandatory human rights due diligence approaches such as the French Duty of Vigilance Law (2017) and the German Supply Chain Due Diligence Act (2023), it ‘has so far come from countries in the Global North and predominantly aim to address problems occurring in the Global South.’ The directive’s supporters counter this by arguing that it is the neoliberal status quo itself, with its focus on efficiency and liberal price setting dynamics that is maintaining neo-colonial exploitation – this is exactly the type of dynamic which the CSDDD aims to change.²⁵

20 Fairtrade International, Fair Trade Advocacy Office, Rainforest Alliance and Solidaridad. “Supporting the Implementation of the EU Corporate Sustainability Due Diligence Directive in Global Supply Chains Involving Smallholders and Their Communities: Accompanying Measures.” April 2024. https://www.fairtrade.net/content/dam/fairtrade/fairtrade-international/library/2024/supporting-the-implementation-of-the-eu-corporate-sustainability-due-diligence-directive-in-global-supply-chains-involving-smallholders-and-their-communities/Accompanying-Measures-paper-April-24-final-1_compressed.pdf

21 European Union. “Corporate Sustainability Due Diligence Directive (CSDDD), Directive (EU) 2024/1760.” Official Journal of the European Union L 2024/1760. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760, article 50.

22 The Living Income Community of Practice, Shift. “Technical guidance on due diligence for living income.” 2026. <https://www.living-income.com/news-events/news/technical-guidance-on-due-diligence-for-living-income/>.

23 Euractiv. “Smallholders from Global South Take the Stage for Inclusive CSDDD.” Accessed March 2026. <https://www.euractiv.com/opinion/smallholders-from-global-south-take-the-stage-for-inclusive-csddd/>

24 Euractiv, Ibid.

25 Wageningen University & Research. “Green Trade and Value Chains Study.” Accessed March 2026. <https://edepot.wur.nl/660901> Business & Human Rights Resource Centre. “EU Business Statement on Mandatory Due Diligence.” 2020. https://media.business-humanrights.org/media/documents/EU_Business_Statement_Mandatory_Due_Diligence_02092020.pdf

Secondly, there is a fear of exporting governments to lose access to the European market in case of non-compliance – similar to that of smallholders individually²⁶. Although the CSDDD has been designed differently than other product-focused legislation like the EUDR – namely shifting the responsibility to companies – the perceived risk persists for some actors. Some governments take action to mitigate this risk, by preparing themselves. For example, the African Regional Standard 1000 (ARS-1000) for sustainable cocoa grown in African countries was developed in part to ‘demonstrate that African cocoa (...) are compliant with EU regulations’, says Mawuli Coffie, Ghana country director for the World Cocoa Foundation.²⁷

Politicians: Norms and ideals through level playing field. The CSDDD was part of the European Green Deal, which was presented by the first Von der Leyen Commission in 2019 in a context of high salience on climate – with pro-EU centrist, liberal and environmentalist parties making substantial gains in European Parliament.²⁸ This created momentum for a series of policies in which values of (international) solidarity, human rights and climate could be converted into concrete policy, pressuring companies and creating a level playing field.

The emergence of CSDDD came alongside year-long concerns around tropical deforestation, which culminated in the creation of the European Deforestation Regulation in 2023. Living income practitioners can piggyback on these established norms with their agenda of living income. As noted by a Ghanaian advocate for fair trade in relation to the EUDR:



If we are challenging businesses on deforestation, we must also challenge them on how they are supporting producers to move out of poverty and achieve a living income – which is a human right.²⁹

Governments European Union: Project European ‘normative’ power. At a geopolitical level, the EU has historically positioned itself as a ‘soft’ power. It likes to see itself as a trading partner that leverages human rights, democracy and the rule of law as a way to project global influence without using coercion (‘hard power’).³⁰ The inclusion of living income and other human rights into the CSDDD can be seen as another legislative step towards projecting this normative power. And not without a potential multiplying effect: countries like Australia, Japan, South Korea, Thailand and Indonesia are currently considering implementing similar due diligence requirements.³¹

Companies: Level playing field and stability. Business has often shared that it benefits from operating according to the same ‘rules of the game’. In the words of companies such as Aldi, Inditex and Nestle at the time, ‘mandatory legislation can contribute to a competitive level-playing field, increase legal certainty about the standards expected from companies to respect human rights and the environment, [and] clarify legal consequences for when responsibilities are not met’, among others.³²

26 European Commission, Commission Staff Working Document: Impact Assessment Report Accompanying the Proposal for a Directive on Corporate Sustainability Due Diligence (Brussels: European Commission, 2022), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022SC0042>

27 World Cocoa Foundation. “Africa’s Sustainable Cocoa Standard: Three Things to Know about ARS-1000.” Accessed March 2026. <https://worldcocoafoundation.org/news-and-resources/article/africa-s-sustainable-cocoa-standard-3-things-to-know-about-ars-1000>

28 NBC News. “European Parliament Elections: 5 Takeaways from the Results.” May 2019. <https://www.nbcnews.com/news/world/european-parliament-elections-5-takeaways-results-n1010491>

29 Personal interview, 18 March 2026

30 Democracy Endowment. “Europe Can’t Defend Itself Properly without Projecting Soft Power.” Accessed March 2026. <https://democracyendowment.eu/news/europe-cant-defend-itself-properly-without-projecting-soft-power>

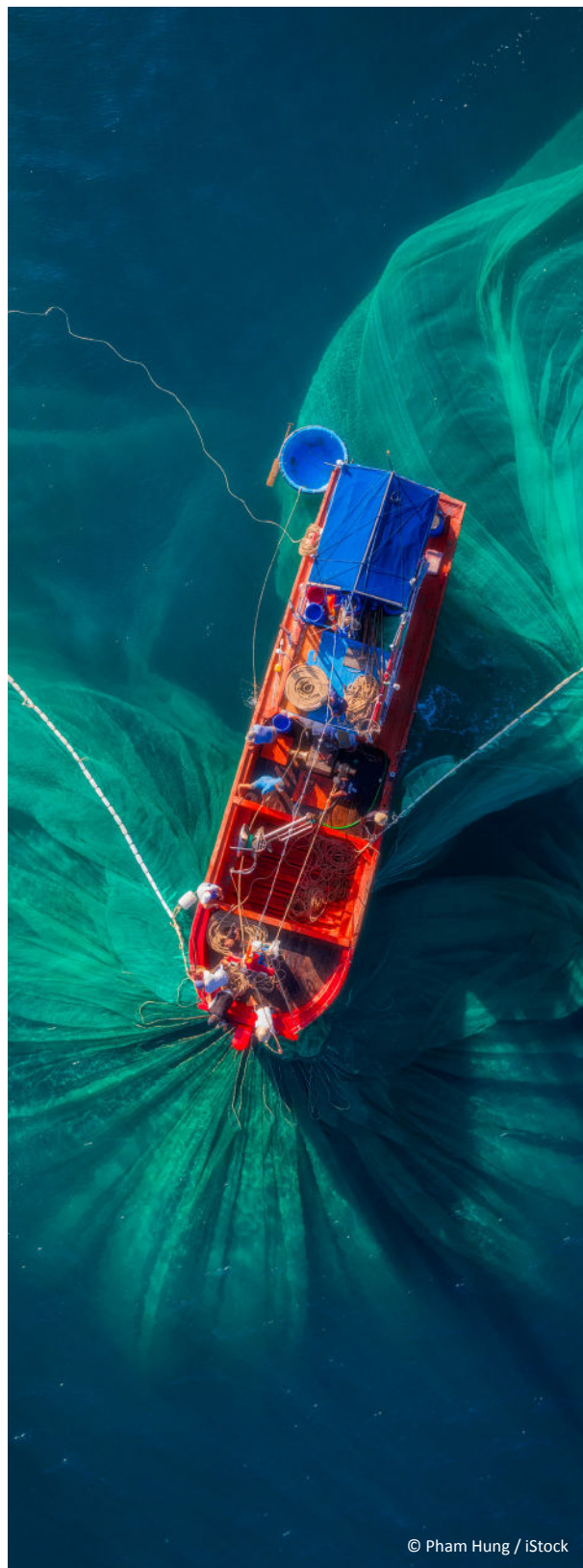
31 Shift Project. “What CSDDD and CSRD Mean for Business.” Accessed March 2026. <https://shiftproject.org/what-csddd-and-csrd-mean-for-business/>

32 Business & Human Rights Resource Centre. “EU Business Statement on Mandatory Due Diligence.” 2020. https://media.business-humanrights.org/media/documents/EU_Business_Statement_Mandatory_Due_Diligence_02092020.pdf

In the case of CSDDD, especially businesses that had recognized the benefits of contributing to living incomes in their supply chains but were still limited in acting on it due to high competition, welcomed the inclusion of living income into the Directive. What is true for a living income, is true for many other sustainability issues within markets: companies are often willing to move, as long as their competition also does so. Only legislative powers are in the position to truly level the rules of the game.

Companies: loss of competitiveness. The lobby against the CSDDD – and in favor of radical simplification through the Omnibus legislative package – has been strong yet not necessarily representative of the total business support for the CSDDD, which was passed with a majority in the European Parliament in April 2024. The key argument has been that increased regulation would enhance the cost burden for companies, whilst reducing competitiveness relative to the rest of the world. High standards would mean weak business. An open letter by the CEOs of TotalEnergies and Siemens called for the ‘full abolishment of CS3D (...) to restore competitiveness in Europe’ – however, the letter lost credibility when it turned out many CEOs that were supposedly supporting the letter, in fact had not signed it.³³ It should be noted that the ‘competitiveness’ argument has been equally employed by companies supporting the CSDDD. European Commissioner for a Clean, Just and Competitive Transition, Teresa Ribera, argued in November 2025 that ‘reliable information [and] (...) clear standards are indispensable to building competitive value chains, strengthening resilience and ensuring Europe remains an attractive destination for investment.’³⁴ Living income practitioners should therefore be careful in how to best use the ‘competitiveness’ narrative in the context of living income, and human rights overall.

It should be noted that many relevant actors and their motivations have been excluded from this overview. This does not mean they are not important. The motivations above have been selected for their potential of yielding unique lessons for living income practitioners.



© Pham Hung / iStock

³³ The letter was presented as if it was supported by 46 other CEOs. However, several CEOs afterwards distanced themselves from the letter, stating for example they ‘neither participated nor signed a letter’. Original quote is by Amundi CEO Valérie Baudson, stating in German: ‘Wir hatten keinen Vertreter vor Ort, sodass wir weder teilgenommen noch einen Brief unterzeichnet haben.’ Source: Tagesspiegel Background. “Finanzriesen widersprechen Siemens- und Total-Chefs.” Accessed March 2026. <https://background.tagesspiegel.de/finance/briefing/finanzriesen-widersprechen-siemens-und-total-chefs>

³⁴ Financial Times, “Europe Must Be a Rulemaker, Not a Rule-Taker,” December 2025, <https://www.ft.com/content/a7ef36e6-7288-4e12-b80a-085acd6a722f>

Lessons

- 1. Recognize the interconnection between policy at the level of 'importing governments' and 'exporting governments'.** Legislation for companies in markets is a lever of change for businesses operating in that jurisdiction. Living income practitioners shaping policy should therefore keep in mind that it is a matter of changing policy in both exporting and importing settings. The dialogue and interaction between both settings is key to effective implementation of policy on living income – reaching the intended effects.
- 2. Trust the influence of step-for-step mobilization around a common theme, such as living income.** The CSDDD would have less likely referred to living income explicitly without preceding steps such as the increased awareness of companies on the topic; the decades of human rights conventions and declarations; and, importantly, the Joint Declaration regarding Living Wage and Living Income by the Ministries of the Netherlands, Germany, Belgium, and Luxembourg. As stated by Alena Kahle from the Fair Trade Advocacy Office, who has been involved in advocating for living incomes at the European Union:



As we were in the room with the civil servants from the European Commission, I remember they asked what definition they should use for living income – after all, it was not officially defined in a way 'living wage' was defined by the ILO. We were able to point to the authoritative definition of how 'living income' was referred to by the governments of the Netherlands, Germany, Belgium and Luxembourg in their official Declaration of 2021, which gave legitimacy to our cause.³⁵

Intermediate events, letters or documents that do not yield immediate, tangible success should therefore be seen as a step in shifting a paradigm.

- 3. Be consistent in language, solutions, and arguments.** The effectiveness of including living income into the CSDDD is partially derived from the consistency of organizations in the definition of 'living income', the connections to other human rights and due diligence as a way for business to identify, mitigate, and/or remediate this – through for example the OECD Guidance and UN Guiding Principles. One insider to the European Parliament states how despite the fact that the corporate lobby still far outsize civil society in Brussels, the civil society advocacy around CSDDD has been effective. It was particularly the speaking with a single voice – through for example the Coalition of Corporate Justice – that contributed to this capability.³⁶

Organizations like LICOP, the VOICE Network, the IDH Roadmap, academia, companies, and other actors have played a key role in harmonizing definitions and argumentation in favor of a living income at various levels. Practitioners should therefore take responsibility for adhering to shared languages and argumentations, as it provides more clarity but also shows a greater unity of the collective support for the intended policy.³⁷ This becomes most relevant once a proposed policy reaches the stage of legal checks and scrutiny.

- 4. Continue building a structural, consolidated advocacy coalition around living income, reaching the right people.** It will be beneficial for the living income cause to spend more resources on coordinating a shared advocacy space around living income – strengthening and complementing the concerted and organized advocacy efforts of consortia like the European Coalition for Corporate Justice (ECCJ), and groups like the FTAO, LICOP, and the EU Cocoa Coalition (now the EU Sustainable Supply Chain Coalition).

³⁵ Personal interview, Alena Kahle, 9 March 2026

³⁶ Personal interview, 19 March 2026

³⁷ Consistency in language should however not go too far: especially in this era of automatically (AI-) generated content, a slight variability of language that reflects the real human understanding of a concept or political view is essential to retain the authenticity of a message.

In doing so, it is key to reach the 'right' people given the legislative process at the right time. As stated by one interviewee:

“

Once a topic has reached the stage of public consultations, you are too late. It is therefore better to rely on the 'rumour machine' and act fast.³⁸

In the development of the CSDDD, this included European Parliamentarians from S&D and Greens/EFA and their supporting teams or in the European case, 'accredited assistants'.

In building coalitions, practitioners should recognize they are not only advocating in favour of something 'new'; it automatically means they are facing opposition from those favouring 'the old'. This means practitioners should not only focus on building coalitions of likeminded people; but also keep a close watch on – and engage with – the opposing forces. Note that 'engaging with' may either mean providing a (public) response, or ignoring it as a way to avoid legitimizing the

opposition. In doing so, practitioners should not shy away from reaching the centre-right factions – adapting the argumentation around the 'why' of a living income to their respective agendas.

5. Integrate living income in a wider,

multidimensional agenda of other social, environmental and economic issues.

Just as incomes are a function of fair markets, farmers are not only producers, but also land stewards, playing (or having the potential to play) a significant role in managing soil, water, biodiversity, and emissions. Living income practitioners should therefore not limit themselves to a 'living income tunnel vision' but think holistically about the embeddedness of the economy into society, which in turn is nested in the natural environment.

As for the theme of 'competitiveness' specifically, practitioners need to continue cultivating language around the business case to advance their living income targets. 'Loss of competitiveness' has always been – and will always be – used as an argument in contra of stronger human rights or environmental standards. Showcasing the business case behind increased standards, including on living income, should therefore always be part of the toolkit of living income practitioners.³⁹



© Dibakar Roy / Pexels

³⁸ Personal interview, 9 March 2026

³⁹ The Living Income Community of Practice (LICOP) has developed toolkits to showcase this business case for a living income, see <https://www.living-income.com/tools-resources/company-toolkit/>.

Annex 1.1: References to living income in CSDDD

The Corporate Sustainability Due Diligence Directive (CSDDD) refers to 'living income' in the following ways in the recitals:⁴⁰

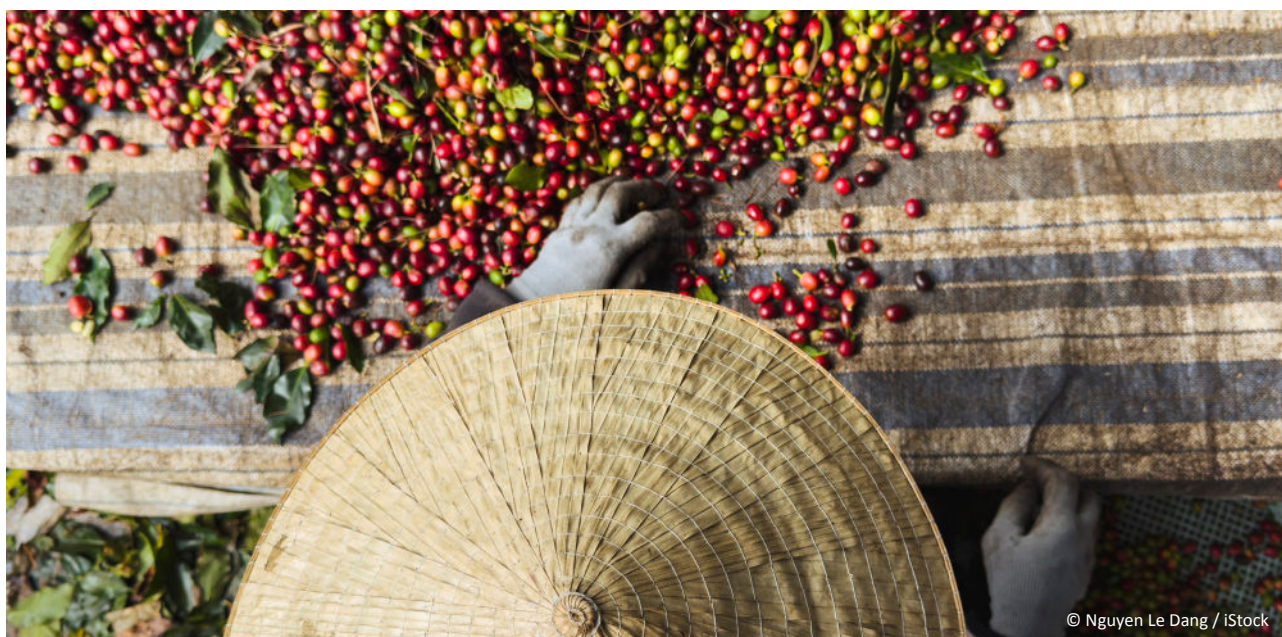
- "Companies should also be responsible for using their influence to contribute to an adequate standard of living in chains of activities. This is understood to include a living wage for employees and a **living income** for self-employed workers and smallholders, which they earn in return for their work and production." [Italics and bold added by author, JB]
- "The right to enjoy just and favourable conditions of work, including a fair wage and an adequate living wage for employed workers and an adequate **living income** for self-employed workers and smallholders, which they earn in return from their work and production, a decent living, safe and healthy working conditions and reasonable limitation of working hours, interpreted in line with Articles 7 and 11 of the International Covenant on Economic, Social and Cultural Rights." [Italics and bold added by author, JB]
- "Where relevant, companies should adapt business plans, overall strategies and

operations, including purchasing practices, and develop and use purchasing policies that contribute to **living wages and incomes** for their suppliers, and that do not encourage potential adverse impacts on human rights or the environment." [Italics and bold added by author, JB]

- "In order to address the power imbalances in the agricultural sector and ensure fair prices at all links in the food supply chain and strengthen the position of farmers, large food processors and retailers should adapt their purchasing practices, and develop and use purchasing policies that contribute to **living wages and incomes** for their suppliers." [Italics and bold added by author, JB]

In the Annex, living income is recognized as a human right:

- "The right to enjoy just and favourable conditions of work, including a fair wage and an adequate living wage for employed workers and an adequate **living income** for self-employed workers and smallholders." [Italics and bold added by author, JB]



© Nguyen Le Dang / iStock

⁴⁰ European Union. "Corporate Sustainability Due Diligence Directive (CSDDD), Directive (EU) 2024/1760." Official Journal of the European Union L 2024/1760. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760

Annex 1.2: Timeline of CSDDD formation and integration of living income (selection of events)

Timeline of CSDDD formation and integration of living income (selection)

1948: United Nations General Assembly adopts the Universal Declaration of Human Rights. It states that "everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity" and recognises "the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, and medical care (...)" among other things.⁴¹

2012: Cocoa Barometer mentions the necessity of a living income in the cocoa sector.⁴⁴

2018: World Cocoa Conference declaration on living income.⁴⁶

2018: Oxfam mentions due diligence as 'Human rights due diligence processes are a key first step for buyers to get to the bottom of income issues within their supply chains and to understand their own responsibility and pathways for change.'⁴⁷

September 2020: Companies like Adidas, Mars and Unilever publicly state they 'welcome (...) a legislative initiative on mandatory human rights and environmental due diligence.'⁴⁹

1948

2011

2012

2015

2018

2019

2020

**2020/
2021**

2011: United Nations Human Rights Council adopts UN Guiding Principles (UNGPs) on Business and Human Rights. These are 31 principles to prevent and address human rights abuses in business operations. The UNGPs will form the foundational framework of the CSDDD.⁴²

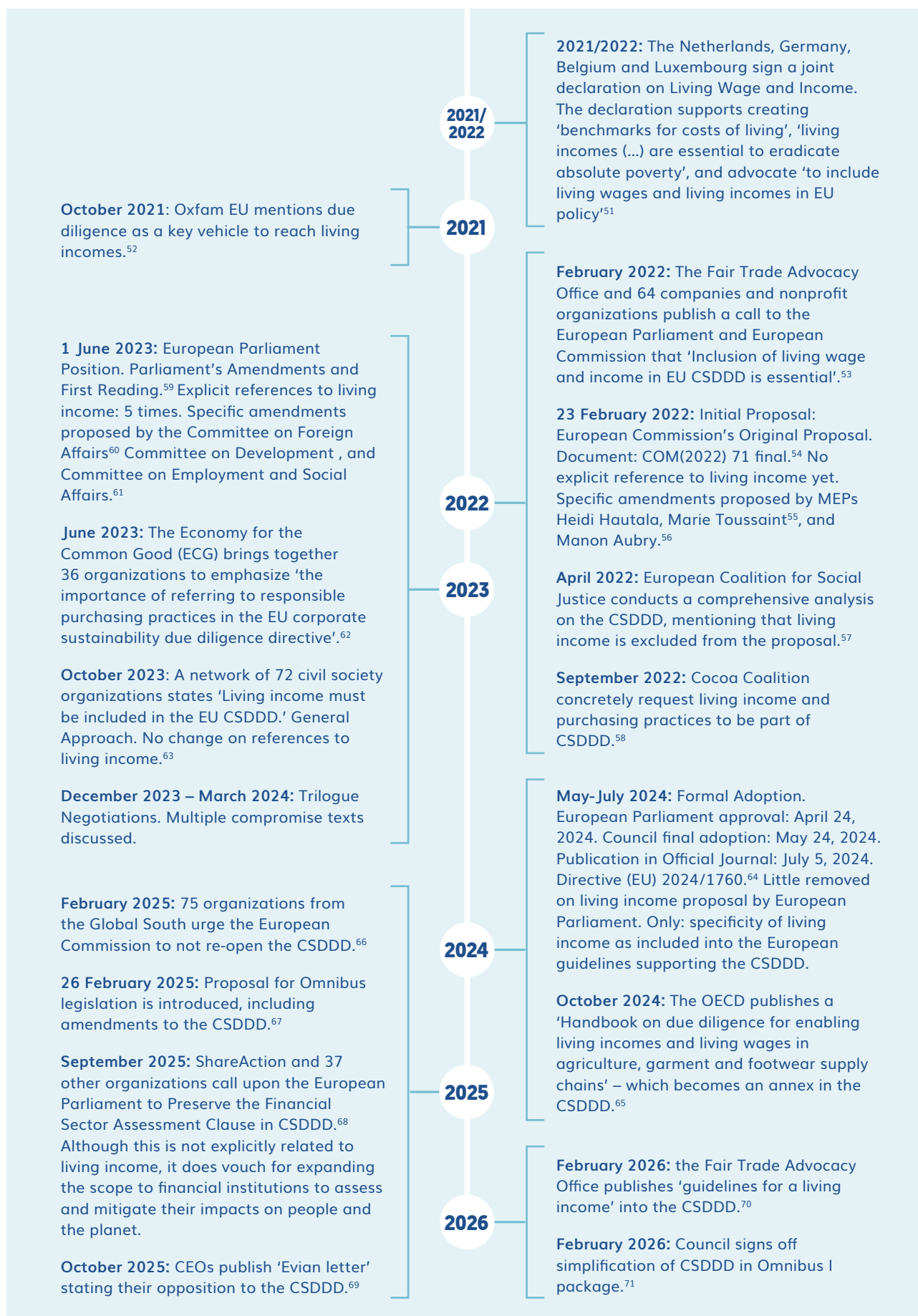
2011: OECD Guidelines for Multinational Enterprises introduces dedicated chapter on human rights, aligning them with the UNGPs⁴³

2015: Living Income Community of Practice (LICOP) formed by a small group of organizations and formalized by Sustainable Food Lab, GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development, and ISEAL. Puts living income on the map, communicating shared terminology and informing policy advocates.⁴⁵

December 2019: Cocoa Coalition (Nestlé, Mars, Mondelez and many other cocoa companies) define Living Income to be the goal of a European Due Diligence regulation.⁴⁸

2020/2021: The European Commission conducts a public consultation on Sustainable Corporate Governance (30 July 2020 to 8 Oct 2020) announces intention to propose legislation on corporate sustainability in its 2021 working programme, after having conducted a public consultation on Sustainable Corporate Governance from 30 July 2020 to 8 October 2020. On 10 March 2021, 'the European Parliament adopts a legislative own initiative resolution recommending to the Commission to initiate a legislative proposal on corporate due diligence and corporate accountability.'⁵⁰

Continued over the page



-
- 41 United Nations Human Rights Office of the High Commissioner. "Guiding Principles on Business and Human Rights." 2011. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
 - 42 Organisation for Economic Co-operation and Development (OECD). 2011. OECD Guidelines for Multinational Enterprises: 2011 Edition. Paris: OECD Publishing. <https://doi.org/10.1787/9789264115415-en>
 - 43 Hütz-Adams, Friedel, and Antonie C. Fountain. 2012. Cocoa Barometer 2012. VOICE Network. <https://voicenetwork.cc/app/uploads/2025/06/Cocoa-Barometer-Full-2012.pdf>
 - 44 Living Income Community of Practice. n.d. Living Income. Accessed April 2, 2026. <https://www.living-income.com/>
 - 45 International Cocoa Organization (ICCO). 2018. Berlin Declaration of the Fourth World Cocoa Conference. April 25, 2018. <https://www.icco.org/berlin-declaration-of-the-fourth-world-cocoa-conference/>
 - 46 Gneiting, Uwe, and Joanne Sonenshine. 2018. A Living Income for Small-Scale Farmers: Tackling Unequal Risks and Market Power. Oxford: Oxfam. <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620596/dp-living-income-smallscale-farmers-151118-en.pdf>
 - 47 Cocoa Coalition. 2019. "Joint position paper on the EU's policy and regulatory approach to cocoa". <https://voicenetwork.cc/app/uploads/2025/04/2019-paper-updated.pdf>
 - 48 Business & Human Rights Resource Centre. "EU Business Statement on Mandatory Due Diligence." 2020. https://media.business-humanrights.org/media/documents/EU_Business_Statement_Mandatory_Due_Diligence_02092020.pdf
 - 49 European Parliament, "Legislative Proposal on Corporate Sustainability Due Diligence," Legislative Train Schedule, accessed May 12, 2026, <https://www.europarl.europa.eu/legislative-train/theme-an-economy-that-works-for-people/file-corporate-due-diligence>
 - 50 IDH, the Sustainable Trade Initiative. "Joint Declaration on Living Wage and Living Income (Netherlands, Germany)." 2021. https://www.idhsustainabletrade.com/uploaded/2021/02/Joint_Declaration_NLD_DEU_270121.pdf
 - 51 Oxfam, 2018.
 - 52 Fair Trade Advocacy Office. "Fair Recommendations for Living Income Guidance in the CSDDD." Accessed March 2026. <https://fairtrade-advocacy.org/storage/documents/XRH5cWw1NCjKeTY6NoK65EcmXIeyMkGHw2w8ivSj.pdf>
 - 53 Council of the European Union. 2022. Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and Amending Directive (EU) 2019/1937 (ST-6533-2022 INIT). Brussels, February 24, 2022. <https://data.consilium.europa.eu/doc/document/ST-6533-2022-INIT/en/pdf>
 - 54 European Parliament, Committee on Legal Affairs. "Amendments 739677: Draft Report on the CSDDD." https://www.europarl.europa.eu/doceo/document/JURI-AM-739677_EN.pdf
 - 55 European Parliament, Committee on Legal Affairs. "Amendments 739717: Draft Report on the CSDDD." https://www.europarl.europa.eu/doceo/document/JURI-AM-739717_EN.pdf
 - 56 Corporate Justice Coalition. "Analysis of the Corporate Sustainability Due Diligence Directive Proposal." 2022. <https://corporatejustice.org/wp-content/uploads/2022/04/ECCJ-analysis-CSDDD-proposal-2022.pdf>
 - 57 Cocoa Coalition. 2022. "Joint position paper - The proposed EU Corporate Sustainability Due Diligence Directive." <https://voicenetwork.cc/wp-content/uploads/2022/09/Cocoa-Coalition-CSDD-response.pdf>
 - 58 European Parliament. "Text Adopted: Corporate Sustainability Due Diligence (TA-9-2023-0209)." June 1, 2023. https://www.europarl.europa.eu/doceo/document/TA-9-2023-0209_EN.html
 - 59 European Parliament, Committee on Foreign Affairs. "Opinion on the CSDDD (AFET-AD-736653)." https://www.europarl.europa.eu/doceo/document/AFET-AD-736653_EN.pdf
 - 60 European Parliament, Committee on Development. "Opinion on the CSDDD (DEVE-AD-736709)." https://www.europarl.europa.eu/doceo/document/DEVE-AD-736709_EN.pdf
 - 61 European Parliament, Committee on Employment and Social Affairs. "Opinion on the CSDDD (EMPL-AD-735813)." https://www.europarl.europa.eu/doceo/document/EMPL-AD-735813_EN.pdf
 - 62 Economy for the Common Good. "Open Letter Supporting Remediation and Proportionality Provisions in CSDDD." June 2023. <https://www.econgood.org/wp-content/uploads/2023/06/Open-letter-supporting-RPP-in-CSDDD-June-2023.pdf>
 - 63 Fair Trade Advocacy Office. "Living Income Must Be Included in the EU Corporate Sustainability Due Diligence Directive." Accessed March 2026. <https://www.fairtrade.net/at-de/newsroom/aktuelles/newstexte/living-income-must-be-included-in-the-eu-csddd.html>
 - 64 European Union. "Corporate Sustainability Due Diligence Directive (CSDDD), Directive (EU) 2024/1760." Official Journal of the European Union L 2024/1760. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760
 - 65 Organisation for Economic Co-operation and Development (OECD). Handbook on Due Diligence for Enabling Living Incomes and Living Wages in Agriculture, Garment and Footwear Supply Chains. Paris: OECD, 2024. https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/10/handbook-on-due-diligence-for-enabling-living-incomes-and-living-wages-in-agriculture-garment-and-footwear-supply-chains_5d7867e7/6ff52567-en.pdf
 - 66 Business & Human Rights Resource Centre. "EU: 75 Organisations from the Global South Urge EU Commission to Discard Any Re-Opening of CSDDD." Accessed March 2026. <https://www.business-humanrights.org/en/latest-news/eu-75-organisations-from-the-global-south-urge-eu-commission-to-discard-any-re-opening-of-csddd-commit-to-timely-implementation/>
 - 67 European Parliament. "Legislative Train: First Omnibus Package on Sustainability (Amending CSRD and CSDDD)." Accessed March 2026. <https://www.europarl.europa.eu/legislative-train/package-simplification-business/file-first-omnibus-package-on-sustainability-proposal-amending-csrd-and-csddd?sid=9001>
 - 68 ShareAction. "Preserve the Financial Sector Assessment Clause in the Corporate Sustainability Due Diligence Directive." Accessed 2024. <https://shareaction-api.files.svdcn.com/production/resources/reports/Preserve-the-Financial-Sector-Assessment-Clause-in-CSDDD.pdf>
 - 69 Politico. "Open Letter to European Leaders on Sustainability." 2025. <https://www.politico.eu/wp-content/uploads/2025/10/15/e2c4c71c-bb72-4331-907d-7faf640f28ac-CLEANEvian-2025-Letter-to-President-Macron-and-Bundeskanzler-Merz.pdf>
 - 70 Fair Trade Advocacy Office. "Guidelines for a Living Income in the Corporate Sustainability Due Diligence Directive." Accessed March 2026. <https://fairtrade-advocacy.org/storage/documents/Urbxibw6yXa4XdLV6cu1L6qOazgLa2gW6kS7AsNZ.pdf>
 - 71 Council of the European Union. 2026. Council Signs Off Simplification of Sustainability Reporting and Due Diligence Requirements to Boost EU Competitiveness, Press Release 116/26, February 24, 2026. <https://www.consilium.europa.eu/en/press/press-releases/2026/02/24/council-signs-off-simplification-of-sustainability-reporting-and-due-diligence-requirements-to-boost-eu-competitiveness/>



Evidensia is the largest online repository for credible evidence on the impacts of market-based sustainability tools. For more information visit www.evidensia.eco

This research study was conducted in partnership with Living Income Community of Practice and ISEAL.

The Living Income Community of Practice

Community of Practice is an alliance of partners dedicated to the vision of thriving, economically stable, rural communities linked to global food and agricultural supply chains. The goal of this community is to support activities focused on improving smallholder incomes towards living incomes, aiming to enable smallholder farmers to achieve a decent standard of living. This community is a result of a partnership between Sustainable Food Lab, GIZ and ISEAL.



ISEAL is the global membership organisation for credible sustainability systems. With a focus on credible practices, we advance scalable and effective solutions that make a lasting impact. Through our work to drive collective efforts, we make markets a force for good. You can learn more at www.isealliance.org

Disclaimer and copyright

The report is in the public domain and is available under a Creative Commons Attribution License (CC BY-NC-SA Attribution-Non-Commercial-ShareAlike). We encourage the circulation of this report as widely as possible. Users are welcome to download, save or distribute the report electronically or in any other format, including in foreign language translation, without written permission. We do ask that anyone distributing this report credit Evidensia.

Authors

Joost Backer

Joost brings over seven years of experience in sustainable agricultural supply chains across 15+ sectors, working with national governments, multinational corporations, NGOs and foundations. His expertise spans policy design, multi-stakeholder coordination, and systems and trends analysis.

Anna Laven

Anna is a social scientist and senior cocoa value chain expert with 20+ years in the sector as a researcher and adviser. She has deep knowledge on major sustainability topics, including living income, gender equality, farming household segmentation, and price mechanisms.

Christopher Wunderlich

Christopher has over 30 years of experience in international development and sustainable commodity trade, with a particular focus on sustainable agriculture and the coffee sector.

Commissioning team: Anny Stoikova, Carla Rodriguez, Laura Monikowska, Naomi Black, Stephanie Daniels

Reviewers: Alena Kahle, Ana Paula de la O Campos, Christina Archer, Friedel Hütz-Adams, Katia Covarrubias, Mette-Marie Hansen, Renske Aarnoudse, Sandra Pfuelf

Report design: Catherine Perry

Date of publication: June 2026

<http://creativecommons.org/licenses/by/4.0/>.

© 2026 by ISEAL for Evidensia.

With support from:



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO



**UK International
Development**

Partnership | Progress | Prosperity

Any views expressed in this report are those of the authors. They do not necessarily represent the views of the authors' institutions or the financial sponsors of this report.

For comments and feedback, please write to evidensia@isealliance.org