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## **Corporate Sustainability Due Diligence Directive (CSDDD) EU Grain and Oilseeds Sector Welcome Stronger Alignment with UN/OECD Principles in JURI Vote**

COCERAL, FEDIOL, and FEFAC, representing the EU grain and oilseed trade, the industry crushing oilseeds, refining vegetable oils and the animal feed industry, support the JURI committee's effort to improve consistency of the CSDDD with the principles and language of UN and OECD due diligence guidelines. However, other elements may be detrimental to trade and supply chains without added value to addressing harmful human rights and environmental impacts.

A welcome improvement to the Commission's text is the clarification that obligations are proportionate to the responsibility of a company in relation to a harm with the introduction of a distinction between harm "caused", "contributed to", or "directly linked to".

The strengthened risk-based approach and introduction of prioritisation of adverse impacts based on their severity and likelihood, if maintained, will ensure that companies' efforts are targeted where they are most needed and can deliver the most impact. The risk-based approach is also more in alignment with the existing international frameworks on due diligence guidelines, which are built on best practices.

The provisions on civil liability offer greater legal certainty to companies and legal fairness by limiting it to situations in which a company has "caused" or "contributed to a harm".

Other positive aspects include the obligation to develop sector-specific guidelines for agriculture, group-level due diligence, ensuring harmonisation at EU level as well as a level playing field for all companies in scope, and the introduction of minimum standards for independent third-party verification via a delegated act.

However, we regret the inclusion of suspension of products from free circulation or export among the sanctions to be imposed by Member States, as this disruption to trade and supply chains will not contribute to improvements in due diligence.

Overall, the JURI committee has made positive changes to the Commission's Proposal. We now call on the European Parliament in its plenary vote and on the Council during the trilogue negotiations to cover other important and needed adjustments to make the Directive legally clear, fit for purpose, and effective in combatting adverse environmental and human rights impacts of business operations.

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**COCERAL is the European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats, animal feed and agrosupply.** It represents the interest of the European collectors, traders, importers, exporters, and port silo storekeepers of the above-mentioned agricultural products. COCERAL's direct members are located in 14 EU countries, with one European association, Unistock representing the professional portside

storekeepers for agribulk commodities within the EU and one associated member in Switzerland. With about 3,000 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. Gafta is an extraordinary member of COCERAL.

**FEDIOL**, the **EU vegetable oil and protein meal industry association**, represents the interests of the European oilseed crushers, vegetable oil refiners and bottlers. FEDIOL members are 10 national associations and associated company members in 7 other EU countries. With about 180 facilities in Europe, the sector provides 20,000 direct employments. Its members process approximately 55 million tonnes of basic products a year, both of EU origin and imported from third country markets. The sector processes notably rapeseed, sunflower seed, soybeans and linseed into oils and meals for food, feed, technical and energy uses essentially on the European market.

**FEFAC**, the **European Compound Feed Manufacturers' Federation**, represents 23 national Associations in 23 EU Member States as well as Associations in Switzerland, Turkey, Serbia, Russia and Norway with observer/associate member status. The European compound feed industry employs over 100,000 persons on app. 3,500 production sites often in rural areas, which offer few employment opportunities.