FAIRPHONE

Press Release FOR IMMEDIATE RELEASE

Over 60 companies & NGOs call on EU to make living wages & income a human right

Amsterdam, the Netherlands, 25 May 2022 – An alliance of over 60 companies and NGOs are calling on the European Parliament to ensure that living wages and incomes are included as a human right in the final corporate sustainability due diligence directive (EU CSDDD) and that their definitions should not be compromised.

The letter, initiated by Fairphone, is signed by companies, investors and initiatives of different industries, countries and sizes, ranging from multinationals to SMEs. Signatories include companies like Schneider Electric, Unilever, Axfood, Nudie Jeans, Fairphone, Tony's Chocolonely, L'Oréal and Nestlé as well as initiatives such as UN Global Compact, Fairtrade, Fair Wear Foundation, Solidaridad and more.

Earlier this year, the European Commission adopted a proposal for a directive on corporate sustainability due diligence. The European Parliament is now further developing this legislation. The signatories call on the Members of the European Parliament, the European Commission and the member states:

- To ensure living wages and incomes are included as a human right in the final Directive
- Not to compromise on the definitions of living wage and income
 If there is a need for a further definition of living wages and income beyond the
 International Covenant on Economic, Social and Cultural Rights (ICESCR) article 7, the
 signatories recommend referring to the definitions of the Global Living Wage Coalition
 (GLWC) and the Living Income Community of Practice (LICOP).

Remco Kouwenhoven, Fairphone's Social Innovation Lead states, "Living wages and income aim to provide a basic but decent standard of living for the workers in the supply chain and their family. Sadly, this is not a given for many people. According to statistics from the International Labour Organization (ILO), nearly 1 in 5 workers globally earn too little to lift themselves and their families out of extreme poverty. Living wage and income can help break the cycle of poverty, build healthy local economies and encourage equality in societies, while improving business performance and profitability. As well as making sure that living wages and incomes are included as a human right in the final EU Directive, we want to safeguard their definitions. In the German due diligence law (Lieferkettengesetz) living wages were redefined as 'legal minimum wages', which are not often living wages. We urge the EU not to follow that example, but to refer to definitions used by the GLWC and the LICOP."

Living wages and incomes are good for business: they ensure a stable, skilled workforce is retained and that the value chain is productive and resilient. Companies committed to living wages are better

positioned to respect human rights in their own operations and their supply chain. A growing community of companies is committed to enabling living wages and incomes in their own operations and their supply chain. Living wages and income can help strengthen company performance and profitability, while tackling poverty and inequality worldwide. The inclusion of living wages and incomes in the EU corporate sustainability due diligence directive is essential. The time for living wage and incomes is now.

Click <u>here</u> to view the full letter.

About Fairphone

Fairphone is building a market for ethical phones and motivating the industry to act more responsibly. We design, produce and sell smartphones to uncover the supply chain behind our products, raise awareness for the most urgent issues, and prove that it's possible to do things differently. Together with our partners and collaborators, we're working to make caring for people and the planet a natural part of doing business.

Photos, videos, fact sheets and other materials are available at the Fairphone press page: https://fairphone.com/en/about/press/ <u>www.fairphone.com</u>

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