Contribution ID: 4e549f2d-0923-4ff2-a2d5-15b68ae3b732

Date: 17/07/2026 14:28:54

Open Public Consultation on the Corporate Sustainability Due Diligence Directive Guidelines

Fields marked with * are mandatory.

Disclaimer

This consultation does not prejudge the final decision that the Commission may take, nor does it imply a commitment about future actions or their timing. It does not constitute a policy position, nor a formal proposal by the European Commission.

Please note that to ensure a fair and transparent consultation process only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.

Introduction

The European Commission is developing guidelines to support the implementation of Directive (EU) 2024/1760 on Corporate Sustainability Due Diligence (CSDDD), which has been amended by Directive 2026/470 (Omnibus I). The CSDDD targets very large EU companies as well as non-EU companies with a significant market presence in the EU. It aims at promoting sustainable business practices by requiring companies within its scope to identify, prevent, mitigate and bring to an end adverse impacts on human rights (including labour rights) and the environment in their own operations, those of their subsidiaries and in their value chains. This questionnaire seeks input from different stakeholders, including companies both in and out of scope of the CSDDD (business partners), whether established in the EU or outside the EU, and other relevant stakeholders.

According to the CSDDD, the European Commission is tasked with issuing guidelines on model contract clauses, the due diligence process, including risk factors and the sharing of resources and information among companies and other legal entities, third-party verification, industry and multi-stakeholder initiatives, data and information sources, digital tools, engagement by stakeholders, and penalties. Such guidelines will seek to provide practical orientation to companies in scope on how to fulfil their due diligence obligations, and to Member State authorities on how to implement and enforce the Directive, as well as information for stakeholders and their representatives on how to engage throughout the due diligence process. The guidelines will be relevant also for companies that are part of the value chains of companies in scope of the Directive.

The purpose of this questionnaire is to collect evidence to inform the drafting of the future guidelines. Where ‘due diligence’ is mentioned in the questionnaire, it refers to corporate sustainability due diligence in the sense of the CSDDD.

About you

*Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- (x) English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

*I am giving my contribution as

- Academic/research institution
- (x) Business association
- Company/business

- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

*First name

Dominik

*Surname

Jaensch

*Email (this won't be published)

jaensch@vci.de

*Organisation name

255 character(s) maximum

Verband der Chemischen Industrie e.V. (VCI)

*Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- [x] Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

15423437054-40

* Country of origin

Please add your country of origin, or that of your organisation.

This list does not represent the official position of the European institutions with regard to the legal status or policy of the entities mentioned. It is a harmonisation of often divergent lists and practices.

- Afghanistan
- Åland Islands
- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Saint Martin
- Saint Pierre and Miquelon
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan

- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Türkiye
- Turkmenistan
- Turks and Caicos Islands

- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d’Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Iraq
- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Palau
- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States
- United States Minor Outlying Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, ‘business association, ‘consumer**

association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published. Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

*Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

- **Anonymous**
  Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.
- **Public**
  Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

- [x] I agree with the personal data protection provisions

Consultation Questions

I agree with the personal data protection provisions.

General questions concerning the Guidelines

This questionnaire is designed to gather feedback from all relevant stakeholders. Please note that not all questions are relevant to all categories of respondents. In some cases, questions are targeted at specific categories of respondents, and this is generally indicated in the question itself.

While most questions are optional, you will have to answer the ones marked with an asterisk (*) in order for your input to be taken into account. You are invited to answer the questions that are relevant to you. This questionnaire is open to all stakeholders that have:

- experience with sustainability due diligence in business value chains (in-scope company, company voluntarily carrying out or planning to carry out due diligence, value chain partner, business association, investor, industry or multistakeholder initiative, etc.) [Group 1]
- engage in protecting human rights and/or the environment (trade union, worker representative, NGO, human rights or environmental defender, etc.) [Group 2]
- a professional interest in sustainability due diligence (e.g. legal expert, consultant, auditor, sustainability data or service provider, academic, etc.) [Group 3]
- a personal experience as affected or potentially affected individual or part of a community [Group 4]
- a role as regulator and/or supervisor (Member States or third country governments, ministries, authorities, judiciary) or as an international organisation [Group 5]

While the questions are open to all stakeholders, each question indicates the stakeholder group (in line with the above classification) the input of which would be most valuable.

You have the possibility to upload relevant documents at the end of the questionnaire.

Integrating due diligence into relevant policies and risk management systems

Under the CSDDD (Article 7), companies are required to integrate due diligence into all their relevant policies and risk management systems and have in place a due diligence policy that ensures risk-based due diligence.

1. Considering the experience in your company with integrating (or your plans to integrate) due diligence into the relevant corporate governance policies, which policies do you consider most relevant?

This question is primarily aimed at gathering feedback from stakeholders in groups 1 and 2.

500 character(s) maximum

Guidance should set out principles, no detailed requirements and clarify that requirement can be met by existing corporate policies (no new architecture, keep company's specific policies, functional equivalence is sufficient).
Examples:
Code of Conduct
Human Rights Policy
Health, Safety and Environmental (HSE) Policy/Audits
Legal, Compliance and Insurance Policy
Grievance Mechanism / Whistleblowing Policy
Procurement
Sustainability/SCM/Enterprise Risk Management Policies
HR Policies

Human rights (including labour rights) and environmental impacts

The Annex of the CSDDD sets out what the human rights (including labour rights) and environmental impacts are for the purposes of due diligence. Some human rights protected under the international instruments referred to in the Directive's Annex are not expressly named there but are covered by the Directive as they are covered by the instruments in Part I, Section 2 of the Annex, such as for example specific rights of the child, provided that the company could have reasonably foreseen the risk that such human right may be affected, taking into account the circumstances of the specific case, including the nature and extent of the company's business operations and its chain of activities, the characteristics of the economic sector and the geographical and operational context.

2. Do you think that the guidelines should seek to offer examples on adverse human rights (including labour rights) or environmental impact, and which are the most relevant types of impacts for which you see this need? Please explain.

This question is aimed at gathering feedback from stakeholders in all groups.

500 character(s) maximum

Annex should not be expanded. It encompasses a lot of concepts that are more appropriately addressed by states than by companies.
Guidelines should include examples of adverse impacts linked to product or service categories (especially most severe, of low remediability, or of high scale) including illustrative actions to address the impacts. Clarify which intensity leads to risk/impact.
Regulatory conflict with FLR (corrective action plan v. authorities prohibit market entry) must be solved.

3. If you already apply corporate sustainability due diligence in your value chain, do you have a defined set of indicators to identify and monitor the adverse impacts listed in the Annex? If so, were they developed in-house or do they rely on external input? Please give a few examples and the data source(s) they rely upon.

This question is primarily aimed at gathering feedback from stakeholders in group 1.

500 character(s) maximum

Own Ops:
Environm.l reporting
PEC/PNEC ratios for wastewater active ingredients
Internal HSE & supplier audits (PSCI, TfS)
SAP monitoring of restricted substances
HSE incident reporting & investigation
Audit findings analysis
Procurement:
Supplier risk scores (country/sector indices)
Audit findings tracking (TfS/PSCI/internal)
ECOVADIS sustainability ratings
Corrective Action Plans for supplier development
Assessm.
Media-tracking
Grievance mechanism
U.S. DOS Trafficking in Persons

Identification of adverse impacts (including data and information sources)

Under the CSDDD (Article 8), companies in scope are required to take appropriate measures to identify adverse impacts, including at the level of indirect business partners (beyond direct contractors) in their value chains.

As part of this, and taking into account relevant risk factors, companies are required to carry out a scoping of risk areas across their own activities, those of their subsidiaries and those of their business partners where impacts are most severe and most likely. Based on the results of this scoping, companies should carry out an "in-depth assessment" in those areas where the adverse impacts were identified as most severe and most likely to occur. Companies will be expected to carry out the scoping exercise based on reasonably available information which will as a general rule preclude requesting information from business partners. Nevertheless, companies have flexibility in judging what information is reasonably available to them (Omnibus I, recital 39). Furthermore, companies will be expected to request information from business partners for the in-depth assessment only where that information is necessary and, in the case of business partners with fewer than 5 000 employees, only when the information cannot reasonably be obtained by other means. For the purposes of this in-depth assessment, where adverse impacts are identified as equally likely to occur or equally severe in several areas, companies may prioritise assessing such areas which involve direct business partners.

4. In your experience, what tools proved particularly helpful to carry out a scoping of risk areas across your company's activities, those of your subsidiaries and those of your business partners? What approaches or solutions could help in performing these requirements in the cost-effective way?

This question is primarily aimed gathering feedback from stakeholders in groups 1, 2 and 3.

500 character(s) maximum

Own ops: Knowledge-based scoping (R&D for Nagoya/Cartagena risks; production processes&hazardous substances).
Procurement:
Internal Country Risk Framework; SAP supplier mapping; ECOVADIS, Verisk Maplecroft, Reprisk
Approaches: Supplier segmentation by spend/risk; leverage TfS/PSCI for shared assessm.; deep-dives on high-risk suppliers
HSE risk assessm. for supplier segmentation
Publicly available database should be established.
REACH & EUDR data should explicitly be recognised for scoping

5. In your experience, what tools proved particularly helpful to carry out an "in-depth assessment" in areas that were identified as most severe and most likely? What approaches or solutions could help in performing these requirements in the cost-effective way?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 3.

500 character(s) maximum

Leverage existing processes/tools and adapt where gaps, e.g.:
- Environm.: analysis of site-reported parameters, with ability to add new data collection
- SAP materials inventories for chemicals under conventions
- Internal HSE audit programs with findings analysis and follow-up
- Supplier audit programs with findings tracking

Guidelines should recognise established certification schemes as creating a rebuttable presumption of compliance.

Appropriate public research tools are required.

6. In your experience, what tools proved particularly helpful to identify indirect business partners in the value chain?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 3.

500 character(s) maximum

Sophisticated AI Supply chain mapping tools (e.g., based on customs data complemented with abstract supply chain predictions)
Public support through appropriate research tools is required.
Impacts caused by actors beyond the chain of activities are out of scope. The manufacture and sale of products within own operations shall therefore not constitute causation of such downstream impacts under CSDDD.

7. Have you faced any legal obstacles or conflicts when collecting information for the purpose of either carrying out a scoping of risk areas, or an “in-depth assessment” as a result of third countries’ laws? Companies and stakeholders are invited to signal barriers to due diligence they may face in third countries when conducting due diligence.

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 3.

500 character(s) maximum

Yes, e.g. China (e.g. Decree 834/835).
Companies acting in good faith that cannot obtain info. due to conflicting mandatory foreign law must receive an explicit enforcement safe harbor.
EU-Commission to engage diplomatically with key third-country regulators to negotiate bilateral ESG data-sharing frameworks.
Guidelines should specify what 'alternative means' suffice when direct information is legally blocked (e.g., sector-level risk analysis and country risk indices as proportionate proxy.

8. In your experience what data currently collected by public administrations may be particularly useful for the purposes of effective due diligence? Do you believe there is a need for access to such data to be facilitated?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

300 character(s) maximum

As stated above, publicly available databases would be a useful tool for companies in the context of effective due diligence. E.g. the BAFA has collected information about the complete due diligence process via LkSG reports. Sharing the data and practices in an anonymous manner could be helpful.

9. Please indicate which of the following due diligence methods or other actions you consider most useful and cost effective for identifying adverse impacts in value chains? What are the pros and cons of these approaches in terms of cost effectiveness)?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, and 3.

Maximum 5 selection(s)

- [x] Complaints
- [ ] Stakeholder engagement
- [x] Industry and multi-stakeholder initiatives
- [x] Third-party verification
- [x] Site visits
- [ ] Technical surveillance or digital data over value chains and/or infrastructures (e.g., satellite monitoring of risk indicators or adverse impacts in the value chain)
- [ ] Information from sustainability service providers
- [ ] Use of media, NGO or other independent reports
- [ ] Information requests to business partners
- [ ] All of the above
- [x] Other methods

Please specify:

500 character(s) maximum

Industry/multi-stakeholder initiatives help identify root causes, share resources, and increase leverage. Shared assessm. dramatically reduce per-company cost.
Business partners subject to CSDDD or an equivalent mandatory due diligence framework should be excluded

from scope. Companies should be permitted to:
- assess equivalence by documented analysis of applicable jurisdictions.
- rely on partners' due diligence obligations
- reflect resulting exclusions in their scoping and prioritization

Risk factors

When identifying and assessing adverse impacts, the company should take into account relevant risk factors, such as those related to the company as a whole, to its specific business operations, to geographic and contextual factors, to the product and/or service, and to the sector. A number of actors (international organisations, governments, NGOs, think tanks, commercial entities) publish information on sector-specific risks and other types of risks.

10. Which are particularly useful examples of such sources of information and in which areas/sectors and/or for which impacts do you see a gap in terms of documented risk factors? Do you believe there is a need for access to such data to be facilitated (e.g. via a centralised web-page)?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

Databases:
PSCI, TfS, BSR, UNGC/DGCN, DIHR, Shift
Env: Yale EPI, IBAT, Aqueduct, WWF Water Risk Filter
HR: Children's Rights Index, DOL Child/Forced Labor, Global Slavery Index, ITUC, ILOSTAT
Governance: Fragile States Index, Freedom House, TI Corruption Index, World Bank Rule of Law
Gaps: Environm. risks linked to some internat. conventions; documented risk factors linked to specific product groups
A centralized database covering country, product, and service-specific risks is essential.

11. What other methods or information sources does your organisation use to support its risk identification (during both scoping and in-depth assessments) or monitoring efforts as part of due diligence? If available, please include references to specific methods or sources and elaborate briefly on their pros and cons.

This question is primarily aimed at gathering feedback from stakeholders in groups 1, and 3.

500 character(s) maximum

Established internal risk scoring framework (BSR)
Risk scoring framework based on country and sector/product-level risks establishes ranking to prioritize suppliers to be audited
3rd party audits/verificaiton e.g. TfS, PSCI audits, ECOVADIS assessments

Applying a risk based internal and external Audit approach and systematic follow up and close-out of audit findings.
AI (Copilot), ISO 14001
Speak-up portal (internal and external)
Peer exchange (should be facilitated across the EU).

Digital tools

Digital tools and technologies can facilitate the performance of due diligence. Such tools are for instance used for the tracking and surveillance of raw materials, goods and products throughout value chains (e.g. satellites, drones, radars or platform-based data sharing). They can help companies reduce the cost of data and facilitate the identification, monitoring and assessment of adverse impacts, as well as enhancing collaboration and stakeholder engagement.

12. What digital tools do you consider most useful to facilitate the identification, monitoring and assessment of possible adverse impacts? Please explains pros and cons.

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

IntegrityNext
Tools that are developed in close alignment with regulation requirements.
AI featured supply chain mapping based on customs data and abstract supply chain mapping.
AI featured risk analyses and supplier self-assessments.
But use of high cost AI monitoring tools should not be treated as a benchmark for what constitutes “reasonably available”.
A public platform-based data exchange that enables both abstract risk assessm. and in-depth case-specific reviews would be beneficial.

13. Have you encountered any difficulties or problems with digital tools, including issues that cause unnecessary burdens?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

Scope mismatch / insufficient coverage of regulatory requirements leading to need of multiple tools and duplication of effort, e.g. IBAT includes cultural & natural heritage sites, but CS3D only concerns natural heritage - requiring extra filtering/checks.
Ramsar sites in IBAT: limited radius may miss sites in the same watershed, and guidance needed on how proximity data should identify potential or actual impacts.
Missing alignment with regulatory terminology
Insufficient AI capabilities

14. Do you think there should be additional digital tools? What functionalities and tasks should these focus on?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

Additional public free digital tools would be beneficial. A centralised platform providing validated supplier risk profiles (e.g. “low-risk” suppliers by country/sector) would increase efficiency. Moreover, tools offering clear, case-based guidance on proportionate measures for specific risks would enhance consistency. Platform-based data exchange that would enable both abstract risk assessments and in-depth case-specific reviews would also be beneficial. EU-level data aggregation tools could further support risk identification and benchmarking.
Additional tools or modifications to existing tools could focus on overlapping the scope more exactly with requirements from CS3D; i.e. that the tools can be used without major gaps or limitations for compliance.
Furthermore an end-to-end coverage of specific regulatory requirements including AI features, e.g., from CSDDD scoping over prioritization to recommended realistic actions would be helpful.

Prioritisation

The Directive provides that where it is not feasible for companies to address all identified adverse impacts at the same time and to their full extent, they shall be able to prioritise adverse impacts based on their severity and likelihood.

15. Are there situations where in your view the severity or likelihood of a specific adverse impact is (or might be) particularly difficult to assess? How could such difficulties be overcome?

This question is aimed at gathering feedback from stakeholders in all groups.

Assessing severity and likelihood of adverse impacts is particularly challenging, especially in relation to indirect business partners and deeper tiers of the supply chain, as companies often have access only to limited and partly unverifiable information in these areas (“limited visibility”). The guidelines should therefore explicitly acknowledge that a complete and reliable data basis is frequently unavailable and that assessments must often be made on the basis of reasonable and proportionate efforts. The limited visibility can lead to an overestimation of risks in upstream tiers and may inadvertently shift focus away from areas within own operations where risk management is more effective. To address this, the methodology should allow for adjusted threshold levels and prioritization based on both risk magnitude and leverage.
In general and during the first years of CSDDD implementation, the main challenge will be to establish a company-wide process to assess the severity and likelihood of adverse impacts and to access reliable and meaningful supply chain information. Ideally, there would also be government support in this area in the form of information or advisory services, possibly provided digitally, or even a kind of helpdesk with dedicated points of contact who could offer guidance and assistance.
Where operations are compliant with host-country’s law / permits, the likelihood and severity of potential impacts should be considered significantly reduced for purposes of a company’s prioritization (rebuttable presumption of regularity in the absence of evidence to the contrary). This approach enhances legal certainty, avoids duplication and respects regulatory sovereignty of third countries.
Pharmaceutical sector perspective:
1. Multi-tier complexity: APIs (active pharmaceutical ingredients) are sourced through 5-7+ supplier tiers spanning chemical synthesis, fermentation, and extraction across multiple continents. Severity assessment at

indirect supply chain levels is effectively impossible with current tools.
2. 'Breadth' criterion difficulty: The CSDDD severity criterion of number of individuals affected is particularly challenging for diffuse environmental impacts (e.g., water or soil contamination from upstream chemical suppliers) where affected populations cannot be reliably quantified. Clear methodological guidance is urgently needed.
3. Omnibus I proportionality as a safe harbor: Companies must not face enforcement action for severity assessments made in good faith on the basis of reasonably available information.
4. Sector-specific severity matrix: An EU-Commission-issued matrix mapping CSDDD Annex impacts to sector-specific indicators (chemical/pharmaceutical, food/agriculture, extractive sectors) would significantly reduce the cost of establishing assessment frameworks.
Additionally, assessments of severity and likelihood are often subject to different interpretations. This difficulty could be overcome by clear EU commission guidance.

16. Regarding situations when it is “not feasible to address all identified impacts at the same time and to their full extent”, what other elements are particularly relevant to support companies in performing an appropriate risk prioritisation process?
This question is aimed at gathering feedback from stakeholders in all groups.

Any guidance should clarify that companies are not required to conduct checks in every single direct business partner, to avoid the implementation challenges faced by the German supply chain law.
LkSG enforcement precedent: Germany's BAFA has confirmed in its published FAQ guidance (2023) that companies are not expected to audit every supplier, instead risk-based prioritisation is explicitly endorsed as the correct compliance approach. This real-world enforcement experience under LkSG directly informs what 'appropriate measures' means in practice and should be cited to the Commission as demonstrating that risk-based selection is both legally permissible and operationally sound.
Textual basis in Omnibus I: Scoping 'will as a general rule preclude requesting information from business partners' means providing strong textual support for the 'not every business partner' interpretation and confirming that proportionate scoping is the legislative intent.In addition a link to the UNGPs might further underline this, where the requirement is to take a risk-based approach and focus the efforts on where the risk is the highest and the impact the greatest.
Companies should retain discretion to define reasonable prioritization criteria and thresholds for in depth assessments, ensuring a manageable and proportionate scope. Prioritisation should not be based solely on the severity and likelihood of adverse impacts. Additional relevant criteria include, in particular, the company’s ability to influence the business partner, dependency on the business partner (e.g., a single-source supplier), the availability and reliability of information, the nature of the company’s own contribution to the impact, the position within the supply chain, and the practical feasibility of preventive and remedial measures. Especially in complex supply chains, a risk-based and proportionate approach is required, enabling companies to focus their resources on those risks where they can realistically make an effective contribution to risk mitigation. Where adverse impacts under CSDDD are assessed as equally severe or likely, companies should be able to prioritize impacts within their own operations, where control and capacity to act are greatest, over those linked to direct or business partners.

Responsible disengagement

The CSDDD requires engagement with business partners and a focus on preventing and addressing adverse impacts. However, it also provides that, as a measure of last resort when all other measures have failed, the business relationship must be suspended until the impact is addressed, under the condition that suspension would not lead to a manifestly more severe human rights or environmental harm than the one that could not be addressed.

17. Are you aware of examples where a decision was taken not to disengage from a business relationship because this would have potentially resulted in more severe impacts compared to those that triggered due diligence in the first place? How was the situation dealt with?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

- ○ Yes
- ◉ No

Purchasing practices

Purchasing practices (e.g., related to pricing, payment terms, delivery terms, order modifications, risk transfer, or contract termination) can have an impact on human rights, including labour rights, and the environment along value chains.
The CSDDD requires companies, where relevant, to make the necessary modifications of, or improvements to, their purchasing practices as part of the appropriate measures to address (prevent, mitigate, bring to an end, minimise) adverse impacts.

18. In your experience, what purchasing practices proved most cost-effective while at the same time ensuring that adverse impacts are prevented and mitigated? What are their pros and cons?
Out of these, are there purchasing practices that are inherently sector- or context-specific?
If possible, please provide examples of specific contract or commercial terms or other best practices.

This question is aimed at gathering feedback from stakeholders in all groups.

1000 character(s) maximum

Guidance should clarify that contractual assurances / CoC are only necessary on a case-by-case basis, not as default, in order to avoid unnecessary administrative burden.
Contracts should require compliance with all applicable local laws (e.g. prohibiting forced labor and requiring payment of wages in line with local laws; all bidding participants are expected to comply.

Most effective: long-term contracts /relationships (whenever feasible) and risk-based supplier selection, sustainability incentives, fair pricing (including inflation adjustments) and demand management principle in supplier CoC aiming to consider feasible volumes and delivery times and facilitate communication with the supplier in case the demand could generate negative potential impacts; efficient capacity building (e.g.,

providing access to learning platforms).
Where appropriate, the guidelines could include corresponding examples.

Living income and living wage

19. What are most cost-effective available data that you are aware of for determining the living income for self-employed suppliers (“an adequate living income for self-employed workers and smallholders, which they earn in return from their work and production”, see CSDDD Annex, Part I point 6)?
Are there sectors/geographies where no such data exist or are particularly difficult /costly to obtain?
This question is aimed at gathering feedback from stakeholders in all groups.

500 character(s) maximum

Wage Indicator // Anker Research Institute, Global Living Wage Coalition // Living Income Community of Practice
However, data collection remains particularly challenging for small and micro-enterprises and for deeper tiers of the supply chain, where reliable and standardised data is often unavailable
Publicly accessible data should be made available by public authorities to avoid uncertainty regarding the interpretation of these terms.

Investment

As part of the measures to prevent and address adverse impacts, the CSDDD requires, where relevant, making the necessary financial or non-financial investments in, and adjustments or upgrades of, for example facilities, production or other operational processes and infrastructures.

20. Which cost-effective practices are you aware of as regards companies making investments in their value chains to prevent or address adverse impacts?
This question is aimed at gathering feedback from stakeholders in all groups.

500 character(s) maximum

Targeted Supplier Capacity Building, Co-Financing practical improvements, longer-term purchasing commitments, shared investment through sector iniatives, investments in traceability and data system; energy /CO2/water efficiency investments often offer ROI, environmental upgrades timed with equipment end-of-life - slower but more cost-effective;
Supply chain (via PSCI/TfS):
- Free guidance, PEC/PNEC calculators, webinars, trainings
- Expert on-site visits for best practice implementation

SMEs

In setting out the due diligence duties, the CSDDD includes specific safeguards for SME business partners. An important safeguard is the requirement for in-scope companies to use contractual terms that are fair, reasonable, and non-discriminatory, and that do not shift compliance burdens to SME business partners. Furthermore, where relevant, companies should provide SME business partners with targeted and proportionate support where necessary in view of the resources, knowledge and constraints of the SME, including by providing or enabling access to capacity-building, training or upgrading management systems, and, where compliance with the code of conduct or a prevention/correction action plan would jeopardise the viability of the SME, by providing targeted and proportionate financial support (such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing).

21. In your experience, have you used specific contractual terms that are fair, reasonable, and non-discriminatory when entering into contractual relationships with SME business partners to facilitate or support the due diligence process?Please explain pros and cons.

This question is primarily aimed at gathering feedback from stakeholders in group 1.

500 character(s) maximum

Companies aim to apply contractual requirements proportionately and risk based, e.g. using a supplier code of conduct, clear sustainability expectations, fair payment terms, and reasonable implementation timelines. SME suppliers also have access to free training and guidance. SMEs get further assistance, if needed. Pros: improve compliance and supplier engagement. Cons: still creation of administrative effort for SMEs and ongoing support and dialogue to ensure effective implementation.

22. In your experience, what are the most cost-effective measures to support SMEs? What are the pros and cons?

This question is primarily aimed at gathering feedback from stakeholders in groups 1 and 5.

500 character(s) maximum

Collaboration on capacity building programs enables cost sharing and scalable SME support through partner expertise though it requires strong coordination and reliable partners to be effective.

Building a strong and competitive supply chain
Provision of standardized tools and templates
Collaboration through industry initiatives
Long-term relationships
Sustainability incentives
Simplified / prioritized requirements
Providing access to learning platforms

Remediation

The CSDDD stipulates that where a company has caused or jointly caused an actual adverse impact, including in its value chain, the company shall provide remediation. Remediation means restoration of the affected person or persons, communities or the environment to a situation equivalent or as close as possible to the situation they would have been in had the actual adverse impact not occurred, in proportion to the company's implication in the adverse impact. It includes financial or non-financial compensation and, where applicable, reimbursement of the costs incurred by public authorities for any necessary remedial measures. The Directive also provides that the company must meaningfully engage with stakeholders (the company's employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers' representatives, as well as individuals or communities whose rights or interests are or could be directly affected by the relevant products, services and operations of the company, its subsidiaries and its business partners and the legitimate representatives of those individuals or communities) when designing remediation measures.

23. In your experience, what are themost effective, including cost-effective, practices related to remediation? Please explain pros and cons.
This question is aimed at gathering feedback from stakeholders in all groups.

500 character(s) maximum

Guidelines should clarify that remediation is to be determined through supervisory authority review, ensuring proportionality. Tying remediation to a proven due diligence failure is essential to avoid a de facto strict-liability regime, preserve the obligation-of-means character of the Directive, and provide the legal certainty.
Most effective: dialogue with affected persons or representatives/experts; cost-effective in the long-term: addressing root-causes

24. What are best practices that you are aware of to determine a company's proportionate involvement in an adverse impact for the purpose of remediation when a company jointly causes the adverse impact together with others (e.g., its business partner(s) or other companies)?
Have there been difficulties to determine appropriate remediation in case of joint causation in certain situations and how have these difficulties been overcome?
This question is aimed at gathering feedback from stakeholders in all groups.

500 character(s) maximum

Joining forces in your respective industry sector, and develop tools and trainings together on common topics (e.g. activities of PSCI in regards to Pharmaceuticals in the Environment or anti-microbial resistance.

Determine proportionate involvement through a documented causation and contribution assessment, considering each party's role, leverage, knowledge, benefit, and ability to prevent or mitigate the impact. The outcome should guide a fair allocation of remediation responsibilities.

Conflict-Affected and High-Risk Areas (CAHRAs)

In conflict-affected and high-risk areas, as defined in accordance with Regulation (EU) 2017/821, human rights abuses are more likely to occur and to be severe. Companies should take this into account and adapt their due diligence to conflict-affected and high-risk areas. Companies should take such situations into account as particular geographic and contextual risk factors when performing in-depth assessments as part of the identification process, when taking appropriate measures to prevent, mitigate, bring to an end and minimise identified adverse impacts, and when engaging with stakeholders (see recital 42 of the CSDDD).

Operational challenges in conflict contexts

To ensure the guidelines take into account relevant barriers to due diligence, companies are invited to comment on the specific obstacles they may (or have) face(d) when conducting due diligence in Conflict-Affected and High-Risk Areas (CAHRAs).

25. In your experience, what are the most significant operational challenges preventing effective due diligence in CAHRAs? How can these challenges be overcome?

This question is aimed at gathering feedback from stakeholders in all groups.

- (x) Limited access to data/information: difficulty verifying information due to data-poor environments or restricted physical access
- ( ) Safety risks to stakeholders: inability to consult with affected individuals and communities without exposing them to retaliation or violence
- ( ) Safety risks to staff: security threats to company personnel or auditors preventing on-the-ground assessment
- ( ) Legal conflicts: national laws (e.g., secrecy acts, counter-terrorism laws) that conflict with due diligence expectations
- ( ) Complexity of supply chains: difficulty tracing business partners in informal or opaque war economies
- ( ) Other

Expectations on identifying “high-risk” contexts

Recital 42 of the CSDDD refers to the need to adapt due diligence to the context of "conflict-affected and high-risk areas". While some overviews (e.g., lists of CAHRAs) exist, companies may have difficulties identifying "high-risk" situations (e.g. authoritarianism, instability) before they escalate into full conflict.

26. To assist companies in determining when specific due diligence obligations apply, would specific guidance regarding the identification of "high-risk" areas beyond active

conflict zones be helpful? If so, please indicate your preference:

This question is aimed at gathering feedback from stakeholders in all groups

- ○ List of contextual risk indicators: a list of "red flags" indicating state fragility or authoritarianism (e.g., suppression of civil society, suspension of legal protections, spike in inflammatory/hate speech)
- ● References to and guidance on how to use specific, reputable global indices (e.g., OECD States of Fragility, RULAC, or the World Bank FCS list) to determine a country’s risk level
- ○ Sector-specific case studies for "early warning" contexts: practical examples of how companies in different industries have identified high-risk signals in seemingly stable or "pre-conflict" environments
- ○ Other

Integration of conflict analysis

In CAHRAs, it is appropriate for companies to consider their impacts on the conflict dynamics where these may negatively affect people or the environment (e.g., are company assets used by armed groups? is the hiring process or use of land/water fuelling ethnic tension?).

27. In your experience, which specific practical tools or frameworks (e.g. examples of structural drivers and root causes, early warning “red flag” indicators, conflict actor mapping, targeted questions for self-evaluation, scenario planning) proved to be particularly useful and cost-effective in integrating conflict analysis into your company’s scoping and in-depth assessment?

This question is primarily aimed at gathering feedback from stakeholders in group 1.

500 character(s) maximum

Structured conflict-risk checklists, conflict actor mapping and scenario planning integrated into supply continuity decisions help assess whether sourcing, distribution, payments or logistics may fuel conflict, while recognising that withdrawal may cause harm.
Procurement:
Conflict Minerals Reporting Template (CMRT) - aiming for a conflict-minerals-free supply chain
Human Rights:
UN´s "Conducting a Conflict and Development Analysis" and "Heightened Human Rights Due Diligence"

Sharing of information and resources, collaboration

For the purposes of due diligence, companies are entitled to share resources and information within their respective corporate groups and with other legal entities. Furthermore, as part of appropriate due diligence measures, companies are required to collaborate with other entities, including (where relevant) to increase the company's ability to prevent or mitigate adverse impacts, in particular where no other measure is suitable or effective.

28. What are the main reasons that make information problematic to share with business partners? What best practices have emerged to address such concerns?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

Guidance must confirm a competition law safe harbor for data sharing (between competitors) and collective auditing. Collaboration through industry associations (e.g. TfS) should be explicitly recognized as appropriate measures.

Third-country laws (China: Decrees 834/835, Russia) restrict export of ESG data and direct suppliers treat sub-supplier identities as trade secrets: Guidance should provide model NDAs.

29. As regards cooperation with other companies (i.e., with peers, in the framework of industry schemes) to carry out certain aspects of due diligence (e.g., risk analysis, stakeholder engagement, remediation, investment, capacity building, exercising leverage) what has worked well and what has not? Have competition law considerations constrained cooperation for due diligence? How can compliance burden be further reduced by data sharing and collaboration?

Please describe the types of constraints encountered and any solutions (e.g. organisational or procedural steps) found to overcome those obstacles.

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

1000 character(s) maximum

Stakeholder engagement through joint Workers Voice projects and benchmarking other due diligence approaches work well. Anti-trust rules are a challenge but this challenge may be overcome by centralized coordination through a neutral administrative office of industry / multi-stakeholder initiatives.
Authorities should explicitly clarify that cooperation between companies, especially regarding measures taken after risks or adverse impacts have been identified, is compatible with competition law requirements.
Industry collaboration works well for shared audits and capacity building. Limits: competition law, confidentiality.
Solutions: anonymized data sharing, antitrust-safe frameworks, aligned methodologies.
Having clear company rules and CoCs from the initiatives works well. Industry initiatives such as Together for Sustainability are welcome, and participation in and information exchange through such initiatives should be recognized as fulfilling due diligence obligations.

Due diligence support at group level

In a situation where both a parent company and (certain of) its subsidiaries fall within the scope of application of the CSDDD, the Directive allows the former to fulfill the due diligence obligations of the latter on their behalf. This can bring efficiencies in the exercise of due diligence. However, such due diligence support is subject to certain conditions (for example the subsidiary abides by its parent company's due diligence policy accordingly adapted, the subsidiary continues to take appropriate measures that the parent cannot take, etc.) and it does not relieve the subsidiaries of their due diligence obligations.

30. In your experience, are there particular aspects of the cooperation between the parent company and its subsidiaries that may raise particular difficulties (including any legal requirements under other regulatory regimes that might create obstacles)?

This question is primarily aimed at gathering feedback from stakeholders in group 1.

500 character(s) maximum

Parent company must be able to fulfill all due diligence obligations in a uniform manner, in accordance with the national legal framework, including with respect to its subsidiaries located in other EU MS (avoid duplicate burdens). Guidelines must specify (in) how (far) measures can be completely fulfilled by the parent.

Some (environmetal) conventions are not ratified / not implemented in certain countries.Guidance should clarify that local law is applicable and not the convention or EU law.

Model Contractual Clauses

Under the CSDDD, responsibility to carry out due diligence lies with the large companies falling within its personal scope of application. As part of due diligence, the Directive requires companies to take appropriate measures, such as the adoption of a prevention or correction action plan and, where relevant,seeking contractual assurances from business partners that they will comply with the company's code of conduct, including by establishing corresponding contractual assurances from their business partners, making necessary investments, providing targeted support to SMEs business partners, collaborating with other entities including to increase the company's ability to prevent or mitigate adverse impacts, neutralising and remediating actual impacts, engaging with stakeholders, operating notification and complaints mechanisms, etc.

The CSDDD requires the Commission to issue model contract clauses for voluntary use to facilitate the implementation of the due diligence duties. The Directive clarifies that these clauses should aim to facilitate a clear allocation of tasks between contracting parties and ongoing cooperation, in a way that avoids the transfer of the obligations provided for in the Directive to a business partner and automatically rendering the contract void or triggering termination options in case of an adverse impact.

31. What is your experience of cooperating with business partners to ensure efficient due diligence?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

1000 character(s) maximum

Detailed questionnaires are resource-intensive and may not always be the most effective means of assessing whether a partner has robust due diligence system. Mutual recognition of established due diligence frameworks (including industry initiatives and shared audits) may, where appropriate, replace individual questionnaires. Effective cooperation requires clear contractual expectations / allocation of responsibilities, proportionate information requests, realistic timelines, and support / training where needed. It works best when based on dialogue and corrective action plans rather than one-sided contractual burden-shifting or audit-heavy requirements. It should be clarified that contractual assurances are only necessary in exceptional cases. If every company requires contractual assurances from every supplier, this instrument risks becoming a purely bureaucratic exercise that adds little substantive value.

32. What cooperation should the model contract clauses recommend between the in-scope company and its business partners as regards:

- the adoption and implementation of any prevention/correction action plan
- the cost of addressing adverse impacts
- stakeholder engagement
- the notification and complains mechanisms

with a view to ensure that due diligence is efficient and cost effective while compliance burden is not shifted to the business partners?
Please provide examples of appropriate contractual clauses, if possible.
This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

1000 character(s) maximum

Guidelines should not prescribe specific contractual clauses (freedom of contract). Contractual measures can only be effective where companies have the necessary bargaining power. Standardized contractual requirements significantly increase the administrative and negotiation burden without necessarily contributing to human rights or the environment.
Potential model clauses: (1) Code of conduct compliance obligation explicitly referencing CSDDD Annex; (2) Cascade obligation requiring direct BP to impose equivalent standards on its own direct suppliers; (3) Certification equivalence (SMETA, EcoVadis Gold/Platinum, PSCI) accepted as satisfying contractual assurance requirements; (4) ”Reasonable measures” for verification purposes instead of rigorous auditing rights; (5) suppliers’ cooperation in risk identification, prevention and remediation; (6) grievance mechanism. Governing law: EU Member State law with arbitration clause (ICC/LCIA) for cross-border enforceability.

33. In situations where the in-scope company and its business partner(s) are located in different countries, is there a need for specific contractual clauses on jurisdiction and applicable law to the contract? If so, why and can you provide examples of such clauses?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 3.

1000 character(s) maximum

No mandatory contractual clauses: Clauses may be a suitable tool in certain cases, but should not be a default measure. Detailed contractual requirements would complicate negotiations and increase costs. Where business partners are already subject to comparable due diligence obligations (e.g. subject to CSDDD) there should be a rebuttable presumption that a contract is not necessary.
Provisions: (1) EU (or MS) law or as governing obligations under Rome I (enforceability); (2) Dispute resolution: arbitration (ICC or LCIA rules) preferred over exclusive jurisd. clauses (enforceability and recognition of foreign judgments uncertain in some jurisdictions); (3) Confidentiality conflict carve-out: permit disclosure required by EU law where supplier's jurisd. restricts data export (without carve-out, suppliers may invoke local law as a ground for non-compliance); (4) Blocking statutes: address the risk that third-country law prevents information provision (alternative compliance methods).

34. Are there other elements required by CSDDD that are challenging to translate into contractual terms? What could be ways to overcome this challenge?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 3.

1000 character(s) maximum

Cascade obligations and privity: Requiring suppliers to impose equivalent obligations on their own suppliers is difficult in civil law systems (as privity of contract limits third-party rights); blanket incorporation clauses face formal validity requirements under German AGB-Recht (paragraphs 305 ff. BGB); this is an unresolved problem
Liability perimeter risk: Civil liability is limited to own operations and subsidiaries; model clauses must not inadvertently expand this perimeter through broad indemnification or 'compliance guarantee'.
Attorney-client privilege: Documenting adverse impacts in supplier communications creates litigation discovery risk (hence, guidance on privilege-protective documentation practices compatible with DD obligations is urgently needed).
FLR conflict: The FLR's disengagement mandate is contractually incompatible with CSDDD's sustained-engagement approach. Model clauses must address which obligation takes precedence when both regimes apply simultaneously.

35. Are you aware of any useful and relevant best practices for contractual clauses operationalising human rights and environmental due diligence? If yes, elaborate.

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 3.

1000 character(s) maximum

There are no universally applicable contractual clauses capable of reliably ensuring compliance with human rights and environmental standards. The effectiveness of measures should be evaluated using a risk-based approach and should not be made contingent upon the inclusion of specific contractual provisions.
Nevertheless, the American Bar Association (ABA) Model Contract Clauses (MCCs) might provide a useful point of reference. They promote a cooperative approach to human rights and environmental due diligence and include provisions relating to information sharing, supply chain transparency, remediation, grievance mechanisms and supplier engagement.

Guidance on fitness criteria for industry and multi-stakeholder initiatives (Article 20)

Industry or multi-stakeholder initiatives can support due diligence efforts and reduce burdens, for instance by providing tools, information or capacity building, or assessing a company's operations, sites, products or services in relation to human rights, including labour rights, and environmental impacts. The Directive allows in-scope companies to participate in fit-for-purpose industry and multi-stakeholder initiatives to support the fulfilment of their obligations. However, in-scope companies are required to monitor the effectiveness of the measures carried out by such initiatives, and their use does not exonerate companies from their due diligence duties and liability in case of non-compliance.

Industry and multi-stakeholder initiatives can play a key role in supporting their members in carrying out due diligence, be it voluntary standards or requirements under law. The logic of these initiatives is that the associated challenges can best be met through collective action using pooled resources.

36. In your view, for which due diligence measures do industry or multi-stakeholder initiatives offer the biggest added value?

- [x] Identification of adverse impacts, including risk assessment
- [ ] Prioritisation
- [ ] Investment
- [x] SME support
- [x] Increasing leverage through collaboration (e.g., to mitigate risks or bring to an end actual impacts)
- [ ] Remediation
- [ ] Verification
- [ ] Monitoring effectiveness of actions
- [x] Stakeholder engagement
- [ ] Operating notification/complaint mechanisms
- [x] Other

Please specify:

150 character(s) maximum

Risk identification & assessment
Remediation & prevention with increased leverage
Stakeholder

37. What are, in your view, the main challenges for existing industry and multi-stakeholder initiatives in view of their role in supporting due diligence under the CSDDD (e.g., misalignment with the due diligence requirements, misalignment of audit protocols with the material scope of the CSDDD, in particular the Annex)? What are the main gaps in the geographical, sectoral, topical or value chain coverage of existing industry and multi-stakeholder initiatives?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

Existing audit protocols do not fully cover CSDDD Annex scope;
Geographical gaps in high-risk regions where schemes have limited on-the-ground presence;
Lack of cross-recognition between schemes creates duplicative audit burden for suppliers assessed by multiple buyers;
Most schemes exclude downstream activities within CSDDD's 'chain of activities' definition.
Where appropriate, initiatives should place a stronger focus on sector-specific, abstract risk assessm. and on remediation measures.

38. Which of the following governance or other challenges of existing industry or multistakeholder initiatives do you consider as being the most important?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

- [ ] conflicts of interest, including any undue influence on the governance of the initiative or on specific measures by participating companies
- [ ] governance bodies and their decision-making roles and responsibilities not clearly defined
- [ ] collaboration opportunities within an initiative and collaboration and interoperability between initiatives not sufficiently exploited resulting in undue burden for participating companies and audited value chain partners
- [ ] lack of independence and competence of assessors/verifiers, undermining the credibility of their work
- [x] insufficient robustness of audit or assessment methods
- [x] insufficient engagement with stakeholders
- [x] lack of effectiveness in bringing about tangible impact
- [x] processes not sufficiently adapted to cater for local realities and/or the interests of relevant stakeholders (including smallholders, SMEs, artisanal producers)

☑ Other

Please explain:

150 character(s) maximum

Challenges include finding ways to bundle capacities for DD compliance collaboration while complying with anti-trust rules.

Accompanying measures

In the context of accompanying and support measures, the Commission may complement Member State support measures, building on existing Union action to support due diligence in the Union and in third countries, and may devise new measures, including facilitation of industry or multi-stakeholder initiatives to help companies fulfil their obligations. This could result in considerable reduction of compliance burdens.

39. From the list below, which specific potential facilitation role of the European Commission would benefit your organisation the most and how?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2 and 5.

- ◉ Acting as a convener - or delegating to a platform of existing initiatives - to share best practice and peer-to-peer learning.
- ○ Engaging with companies, industry associations, and other stakeholders to design new initiatives for more participants to benefit.
- ○ Other roles

Guidance on third-party verification (Article 20)

The CSDDD allows companies to use independent third-party verification to support the implementation of due diligence obligations to the extent that such verification is appropriate to support the fulfilment of relevant obligations, in particular the obligation to verify compliance by business partners with the contractual assurances regarding the company's code of conduct and possible prevention and corrective action plans. Independent third-party verification may be carried out by specialised companies or by an industry or multi-stakeholder initiative. According to the Directive, the third-party verifier must be objective, completely independent from the company, free from any conflicts of interest and from external influence, have experience and competence in human rights (including labour rights) or environmental matters, according to the nature of the adverse impact, and be accountable for the quality and reliability of the verification.

40. What best practices could ensure the independence of third-party verifiers from the companies that they assess, from the companies on whose behalf they act and

from external influence?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

Establishment of community models / utility models for third party risk management, as already available in the financial industry (CanDeal Third Party Risk platform // S&P Global Third Party Risk Assessment)

41. In your view, what level of experience and competence in human rights (including labour rights) or environmental matters, according to the nature of the adverse impact, would be necessary for third-party verifiers to support companies in implementing the Directive's requirements?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

The required level of competence for third-party verifiers should not be prescribed in a rigid manner. Only for complex / severe impacts require more advanced, sector-specific and, where appropriate, local expertise. Mandatory qualifications are set by relevant initiatives (e.g. TfS, PSCI). Audit firms and individual auditors must meet requirements outlined in initiative guidance (e.g. PSCI Audit Guidance Document). This is the baseline for credible verification. Verifiers must be independent.

42. In your experience, what are the most effective standards ensuring that the third-party verifiers are accountable for the quality, effectiveness, reliability and integrity of the verification?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 3 and 5.

500 character(s) maximum

Effective standards depend on industry sector:
- Pharmaceuticals/healthcare: PSCI
- Chemicals: TfS (Together for Sustainability)
- Consumer goods/textiles: SEDEX/SMETA, amfori-BSCI
- Electronics: RBA (Responsible Business Alliance)
- EcoVadis assessments.

Recommendation: The ITC Standards Map lists applicable standards by industry sector and could serve as a useful reference.

Meaningful stakeholder engagement

The Directive requires companies to take appropriate measures to carry out effective and meaningful engagement with stakeholders (the company's employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers' representatives, as well as individuals or communities whose rights or interests are or could be directly affected by the relevant products, services and operations of the company, its subsidiaries and its business partners and the legitimate representatives of those individuals or communities). Consultation of stakeholders should take place to identify, assess and prioritise adverse impacts, when developing (enhanced) prevention and corrective action plans, and when adopting appropriate measures to remediate adverse impacts.

43. Taking into account the requirements of the CSDDD, in your experience what are the most cost-effective means to engage with stakeholders in the performance of due diligence? What are the pros and cons?

This question is primarily aimed at gathering feedback from stakeholders in groups 1 and 3.

500 character(s) maximum

Industry / multi-stakeholder initiatives to bundle capacities and increase leverage. Cons include challenges regarding confidentiality and anti-trust laws.
The manner in which consultation is conducted should largely be left to companies to determine on a risk-based basis (taking leverage into account). Involving external stakeholders in other regions may be challenging. The guidelines could therefore provide info. on relevant contact points that companies may consult where appropriate.

44. Which methods have proven most cost-effective in identifying and involving marginalized groups (for example certain groups of indigenous people) or 'hidden' stakeholders, such as those working in the informal sector or victims of human trafficking?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, and 3.

500 character(s) maximum

Industry / multi-stakeholder initiatives to bundle capacities and increase leverage. Cons include challenges regarding confidentiality and anti-trust laws.

45. What are the most robust and cost-effective mechanisms for guaranteeing confidentiality and protecting participants from retaliation?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, and 3.

500 character(s) maximum

Secure, anonymous, and confidential communication channels (and grievance mechanisms to report potential retaliation)
Clear and reliable non-retaliation policies
Involvement of trusted intermediaries

Regular communication
Visible follow-ups
Long-term trust-building
There is no way to fully protect from retaliation. In certain jurisdictions, companies may face disadvantages as a result of implementing European due diligence obligations. This residual risk should be explicitly acknowledged.

Information for stakeholders and their representatives on how to engage throughout the due diligence process

The Commission is tasked with issuing guidance containing information for stakeholders and their representatives (as defined in the directive) on how to engage throughout the due diligence process (e.g. when gathering the necessary information on actual or potential adverse impacts to identify, assess and prioritise them; when developing prevention and corrective action plans or enhanced action plans; and when adopting appropriate measures to remediate adverse impacts).

46. What are the most critical issues for stakeholders covered by the Directive in terms of engagement with companies at different stages of the due diligence process? What are best practices leading to an effective (including cost-effective) due diligence process?

This question is primarily aimed at gathering feedback from stakeholders in groups 2, 4 and 5.

500 character(s) maximum

Information on upstream suppliers is often unavailable, as direct suppliers frequently do not disclose their sources of supply for competitive and confidentiality reasons. The guidelines should take these limitations in multi-tier supply chains into account and should specify that stakeholder engagement is not a requirement for the scoping phase, but for in-depth assessment.
Best practices:
Industry / multi-stakeholder initiatives
Effectiveness reviews
Sophisticated AI featured tool support

47. In your experience, what the most cost-effective approaches that companies can use to involve stakeholders at the level of indirect business partners? What are pros and cons?

This question is primarily aimed at gathering feedback from stakeholders in groups 2, 4 and 5.

500 character(s) maximum

Industry / multi-stakeholder initiatives to bundle capacities and increase leverage. Cons include challenges regarding confidentiality and anti-trust laws
At the level of indirect business partners, direct engagement is frequently impractical, and the most cost-

effective approach is engagement through credible intermediaries, industry initiatives and the partner’s own established channels. The guidelines should confirm obligation of means in that respect.

48. What are best practices in terms of the company’s security procedures so that vulnerable stakeholders feel safe to engage (e.g., in terms of guarantees of anonymity, protection against retaliation, other)?

This question is primarily aimed at gathering feedback from stakeholders in groups 2, 4 and 5.

500 character(s) maximum

Secure, anonymous, and confidential communication channels (accessible, low-threshold channel and grievance mechanisms to report potential retaliation; process may include in-person, direct, and digital engagement, as well as access through trusted third-party intermediaries)
Clear and reliable non-retaliation policies
Restricted access to sensitive data
Involvement of trusted intermediaries
Regular communication
Visible follow-ups
Long-term trust-building

49. How can companies engage with stakeholders in a way that specifically addresses and removes barriers for vulnerable stakeholders or groups (such as, depending on the context, workers representatives, indigenous peoples, women, or migrant workers)? In your view, what specific support do vulnerable stakeholders need?

This question is primarily aimed at gathering feedback from stakeholders in groups 1, 2, 4 and 5.

500 character(s) maximum

Use local languages
Ensuring anonymity and confidentiality
Working with trusted intermediaries
Adapting engagem. methods to specific needs and constraints
Reliable protection against retaliation
Capacity building for informed participation
Incentive/Compensation for time or participation
Long-term trust-building
Stakeholder engagem. should be implemented risk-based/pragmatic. Central platform at national or EU level would be a useful to provide standardized support and reduce bureaucracy

Guidelines for supervisory authorities (specific questionnaire targeted to supervisors only)

50. Which aspects of the CSDDD do you expect to present the greatest practical challenges for supervisory authorities when carrying out their oversight functions? What would be new challenges compared to the enforcement tasks of existing supervisors (including in other policy areas)? How can the guidelines contribute to addressing those challenges?

This question is primarily aimed at supervisors.

1000 character(s) maximum

Effective CSDDD enforcement could be undermined by fragmented court decisions, complicating authorities' primary enforcement role. For effective enforcement supervisory authorities should serve as the primary enforcers, making binding compliance determinations before civil courts could be engaged.
Courts are not well-placed to adjudicate on the adequacy of due diligence measures and to mandate operational changes in due diligence activities. Allowing a fragmented adjudication across MS courts is likely to make effective oversight for supervisory authorities challenging. Guidelines should clarify that supervisory authorities are the central stewards of CSDDD enforcement as they are entrusted with specialized expertise / accountability for necessary policy trade-offs; and they are best positioned to shape corrective action through company-regulator dialogue. CSDDD recognizes the need for EU-wide coordination by creating the European Network of Supervisory Authorities.

51. Based on experience with other enforcement regimes (deforestation, conflict minerals, product safety, etc.) what types of information, documentation and/or evidence have proven most useful when checking compliance with due diligence-type obligations?

This question is primarily aimed at supervisors.

500 character(s) maximum

52. What would be best practices (e.g., organisational steps, procedures, other mechanisms) from other policy areas that have proven useful for the coordination among supervisors? Which aspects of cooperation with other supervisors do you expect to present the greatest practical challenges in practice?

This question is primarily aimed at supervisors.

500 character(s) maximum

53. Which factors listed in Article 27(2) do you expect to be most difficult to operationalise when determining the level of pecuniary penalties?

This question is primarily aimed at supervisors.

- [ ] Nature, gravity and duration of the infringement, severity of the impacts
- [ ] Investments and targeted SME support provided under Articles 10, 11 CSDDD
- [ ] Collaboration with other entities to address impacts
- [ ] Extent to which prioritisation decisions were made in accordance with Article 9 CSDDD
- [ ] Relevant previous infringements found by final decision
- [ ] Extent of any remedial action taken
- [ ] Financial benefits gained or losses avoided
- [ ] Other aggravating or mitigating factors

54. In your experience as a supervisory authority, are there circumstances characterising an infringement that raise specific questions in determining the level of fines (and that therefore should be addressed in the guidance)?

This question is primarily aimed at supervisors.

500 character(s) maximum

55. What features of the guidance to be issued in accordance with Article 27(4) of the CSDDD would be most helpful in assisting supervisory authorities in determining the level of penalties, in a way that contributes to a uniform fining practice across the EU?

This question is primarily aimed at supervisors.

500 character(s) maximum

CSDDD reflects established international standards (UNGPs, OECD Guidelines) and must be interpreted as a risk based obligation of conduct, not an obligation of result.
Companies are required to take proportionate measures, but the absence of adverse impacts is not guaranteed and compliance cannot be assessed on a strict outcomes' basis.
Obligations are met where companies can demonstrate that they have exercised the leverage reasonably available to them.

56. Are there best practices from other policy areas (at EU or national level) that, in your view, could usefully inform sanctioning and fining decisions under the CSDDD? Please provide concrete examples (e.g., fining guidelines, assessment frameworks, judicial approaches).

This question is primarily aimed at supervisors.

500 character(s) maximum

Conclusion

If you have documents relevant for the questions above that you wish to bring to the attention of the Commission (such as best practices, codes of conduct, contract clauses, guidance documents), you can upload them here. Please include a brief description of the file and of its relevance as regards the above questions. However, to the extent possible, please also include that information in the corresponding response fields of the questionnaire (if the character limits permit).

500 character(s) maximum

Please upload your files(s)

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Type of file(s):

- [ ] Due diligence policy
- [ ] Code of conduct
- [ ] Contract clauses
- [ ] Guidelines
- [ ] Reports
- [ ] Other

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