CSDDD Guidelines European Commission public consultation

MATERIALITY Sp. z o.o. submitted response and extended commentary

Integrating due diligence into relevant policies and risk management systems

Question 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?

Response as submitted

The most relevant are the Supplier Code of Conduct and procurement policy, including supplier selection criteria and initial and ongoing verification rules, together with the risk management procedure. Due diligence should also be integrated into operational HR procedures and instructions used daily, including codes of conduct, anti-discrimination and anti-harassment procedures, and grievance procedures. Practical procedures, not only high-level policies, are essential for implementation.

Human rights (including labour rights) and environmental impacts

Question 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.

Response as submitted

Yes. The central difficulty is interpretative: what threshold must be crossed for a situation to qualify as an adverse impact under the Annex? Rather than merely listing violations, the guidelines should explain the qualifying thresholds more fully and illustrate them through detailed, paired examples for each relevant Annex point, including cases within and outside scope. Each situation must still be assessed individually; examples should guide that assessment, not replace it with a rigid test.

Extended commentary

We regard worked examples as one of the most useful things the guidelines could contain, and would single out the right to a clean, healthy and sustainable environment, recognised by the UN General Assembly in 2022. Point 15 of Part I of the Annex does not prohibit environmental degradation as such: it captures measurable degradation only where it produces one of the five consequences listed in letters (a) to (e) - a significant reduction in the natural resources needed to preserve and produce food, loss of access to safe and clean drinking water, impaired access to sanitation facilities, harm to health, safety or the normal use of land, or a substantial adverse effect on ecosystem services.

This hashas practical consequences that thatthe guidelines should address. In particular, the threshold terms - “ “measurable”” degradation, ““‘significant”” reduction in resources and "“substantial”" effect on ecosystem services are nowhere defined, leaving considerable interpretative uncertainty

Examples should above all cover cases that are not immediately recognisable. Focusing on the most obvious and clear-cut situations contributes little; companies need descriptions of situations that are less clear-cut, but at the same time encountered more widely in practice. Each example should be tied to a specific point of the Annex and built around the qualifying criteria: what brings a situation within scope, and what takes it outside.

Question 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.

Response as submitted

Indicators should combine evidence that due diligence systems can identify and address risks with measures tracking outcomes for people. They should assess process quality and risk-relevant behavioural change, not merely count audits or training. Their design should involve stakeholders and triangulate operational, worker, grievance, civil society and public data. CSDDD and ESRS indicators should be aligned, with more detail used internally.

Identification of adverse impacts

Question 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 a cost-effective way?

Response as submitted

Useful tools include grievance mechanisms, the double materiality assessment, and supplier checks, scoring and questionnaires before engagement and periodically thereafter. To reduce costs, the EU could create a free tool modelled on the Dutch CSR Risk Check, but broader: one searchable source combining country, sector and product risks with registers of allegations, inspection findings and confirmed violations, labelled by status. This would avoid duplicate research and data purchases.

Question 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 a cost-effective way?

Response as submitted

Particularly helpful methods include off-site interviews with workers in their own language and without supervisors, which can uncover recruitment fees, unlawful deductions and forced labour. These should be combined with unannounced audits or audits announced within a narrow time window; payroll and working-time records cross-checked against worker accounts; site visits involving a local expert or organisation active in the region; and analysis of grievance-mechanism data.

Question 6

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

Response as submitted

Identifying indirect partners often requires combining many sources: company and beneficial ownership registers; trade and goods-transport tracking data; certificates of origin and material declarations; data expected under the EUDR; and broader open-source intelligence. At present, no available source provides are complete or consistently reliable. A supply-chain mapping standard is needed to improve traceability and standardise communication.

Extended commentary

The sources worth combining in practice are: company registers, such as OpenCorporates and national registers, which help establish ownership and links between entities; trade and transport databasesdatabases, which can reveal shipper-consignee relationships; product and material documentation, including certificates of origin, material declarations and information required under REACH and the EUDR; and websites, job advertisements and social media, which can point to facilities, subcontractors, customers or affiliated entities.

This is an OSINT exercise assembled from many sources, none of which is comprehensive. WeWe ask the Commission to address precisely this gap: a supply-chain mapping standard would support, at minimum, consistent communication on traceability between partners.

Question 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.

Response as submitted

Restrictions on independent trade unions and civil society, so that in some countries no credible worker representative exists to consult - the People's Republic of China being the clearest example. Risk to interviewees: not a legal restriction but a consequence of the regime, since contact with a foreign auditor may expose a worker to reprisals.

Question 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?

Response as submitted

Labour inspection findings naming entity and breach; tax and social security arrears; employment agency registers; beneficial ownership; permits, sanctions, accidents. As with national debtor registers, companies verifying partners should be able to access these data through one searchable EU source.

Question 9

Please indicate which 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?

Options selected

- Stakeholder engagement
- Third-party verification
- Information from sustainability service providers
- Use of media, NGO or other independent reports
- Other methods

Response as submitted

External verification carries most weight, but its economics work only when one site audit serves many customers. Commercial providers deliver fast, yet buyers rarely see what stands behind a score - methodologies differ and are seldom disclosed. NGO and human-rightsreports cost nothing and reach communities no other source describes. Complaints as a source cost least and surface what no other source sees, but only where the mechanism is trusted and free of reprisal. Combine more than one source.

Risk factors

Question 10

Which are particularly useful examples of 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)?

Response as submitted

Useful: OECD sector guidance (garment and footwear, agriculture, minerals, finance), ILO sources and the CSR Risk Check. Main gaps: sectors with no OECD guidance - services, construction, logistics; EU-internal risk factors, where agency, posted and seasonal work are poorly documented; and controversy data, as OECD National Contact Point and BHRRC records are fragmentary and local sources go unread. Yes: one free, publicly funded EU page consolidating them; paywalls make coverage a budget issue.

Question 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.

Response as submitted

Operational red flags add most: shortened lead times, rising overtime, a shift to agency labour, high turnover, payment delays to subcontractors - read with grievance and audit data. Our clients often already run UNGP- or OECD-based processes, many built to evidence the Taxonomy's Minimum Safeguards, or follow EIB, EBRD and IFC lender rules. Each is internationally accepted and externally reviewed, yet none maps to the CSDDD Annex, so equivalence cannot be shown. Provide that crosswalk.

Extended commentary

Our working set of sources divides into four groups. For identifying the entity and its links: national registers and beneficial ownership registers. For social risk: the CSR Risk Check, OECD sector guidance, ILO sources, Better Work, Human Rights Watch, Global Witness and Glassdoor. For controversies and sanctions: the EU Sanctions Map, OpenSanctions, the Business & Human Rights

Resource Centre, OECD Watch, national OECD contact points and Violation Tracker Global. And our own data: grievance mechanism records, observations from on-site audits, and operational signals such as abruptly shortened lead times, rising overtime, a shift towards agency labour, increased turnover and a supplier's payment delays towards its own subcontractors.

This set works well for establishing a country and sector risk profile, and fails at the level of the individual plant and the individual worker. No open source substitutes for contact with the people affected.

We would therefore ask that the guidelines not merely enumerate sources but describe how each is used and where it stops being reliable. Stating what a source is not suitable for is as valuable as stating what it is for.

Digital tools

Question 12

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

Response as submitted

Media and controversy monitoring tools, controversy databases and grievance or case-report databases, together with advanced search tools such as scrapers and crawlers.

Question 13

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

Response as submitted

Tools required to run high-quality due diligence processes are often available only for a high fee, which affects equal access to this type of solution.

Question 14

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

Response as submitted

Yes. Some are missing entirely: EU customs data at shipper-consignee level and shipment tracking, which would make indirect partners easier to trace. A third would end duplicated effort: a public register of industry initiatives and verifiers stating whether each meets the Article 20(4) and (5) criteria. An open risk-factor repository is a further need. The CSR Risk Check shows such a tool can run effectively on public funding, free to users, for years.

Prioritisation

Question 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?

Response as submitted

Hardest: diffuse cumulative harm; communities without formal land title, where records show local compliance though harm is serious; association rights where national law restricts them, so no complaints arise; latent health effects; concealed forced labour; agency workers and seasonal leavers outside site statistics. Many turn on law: is the impact absent or only below materiality? A declaration means one thing where labour law is strong, another where weak. Art. 8(2), (2a) limits may deepen the problem.

Extended commentary

Two structural difficulties sit behind the list. First, impacts for which no measurement convention exists - which covers almost everything concerning people beyond the company's own workforce. Second, impacts governed by law: where a company complies with the applicable rules, is the impact absent, or merely reduced below materiality? Along the chain this becomes undecidable. A supplier's declaration of legal compliance means one thing where labour law is strong and another where it is weak, and no buyer can compare legal regimes across dozens of countries.

Assessing likelihood in human rights cases does not consist in counting incidents; it means inferring from risk factors, which is inherently more subjective and more error-prone than assessment based on recorded events.

The limitations arising from Article 8(2) and (2a) may deepen this problem. If general scoping is to focus primarily on a company's own operations, its subsidiaries and direct business partners, while an in-depth assessment of further links in the chain is triggered only when information indicates a possible adverse impact, the mechanism works poorly precisely where risks are most concealed. Forced labour, reprisals against workers, impacts on agency or seasonal workers, and harm to local communities often do not generate credible signals in a direct partner's documentation. In practice, this creates a risk of a vicious circle: the company does not investigate further because it lacks information, while the information is lacking precisely because no in-depth assessment has been carried out. The guidelines should therefore clarify that the absence of complaints or data from a direct partner cannot be treated as evidence that no risk exists, particularly in sectors, countries and employment models where violations are inherently difficult to uncover.

In more detail, the situations we find hardest to assess are: diffuse cumulative impacts, where a single company's share is small but the aggregate effect is severe; impacts on communities without formal legal title to land, where a documentation-based assessment shows full compliance with local law even though the consequences for people are serious; breaches of freedom of association in states whose national law restricts it, so that no reports and no collective disputes arise; health effects with long latency - chemical exposure, dust, noise; forced labour and human trafficking, which are concealed by nature; impacts on agency workers and subcontractors who are formally not employees of the assessed site and appear in neither its accident nor its payroll statistics; and impacts on people who have already left the site, in particular seasonal workers who are absent at the time of the assessment.

Question 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?

Response as submitted

Most important is the mitigation hierarchy: a company causing or contributing to an impact must cease the harmful conduct, then prevent and mitigate, before turning to less significant impacts. Severity should outweigh likelihood, as delay can make harm irreparable; imminence is a secondary factor. Prioritisation is continuous, and it sequences action only - it never justifies leaving an identified impact unaddressed. Affected stakeholders should be consulted on priorities.

Purchasing practices

Question 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.

Response as submitted

Many practices marketed as due diligence are in truth cost transfers. Passing the buyer's obligations down the contract chain, demanding audits and certificates the supplier must finance, terminating at the first allegation, cascading blanket warranties- none of it prevents harm; it relocates the expense of compliance onto whoever is least able to refuse. We see this as the central pathology of implementation so far, and the guidelines should rule it out in prohibitive language rather than gently discourage it.The constructive mirror image:whoever demands, pays. An audit, certificate or corrective step requested by the buyer beyond the partner's own needs is the buyer's cost. Remediating a materialised impact should be split in proportion to how much each side contributed and to their relative economic weight;an equal split looks neutral yet systematically favours the stronger side.These rules hold across sectors - what differs by sector is what gets verified, not who should pay.

Living income and living wage

Question 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?

Response as submitted

The Global Living Wage Coalition is methodologically strongest but has limited geographic coverage; WageIndicator and Fairtrade reference prices cover further locations or selected crops. In the highest-risk areas, benchmarks are often unavailable, incomplete or paywalled, creating a particular barrier for smallholders' direct buyers. The Commission should co-finance a free, annually updated public database of living wage and income benchmarks by country, including Member States and services.

Investment

Question 20

Which cost-effective practices are you aware of as regards companies making investments in their value chains to prevent or address adverse impacts?

Response as submitted

The best cost-benefit investment we observe is knowledge moving downwards. The largest buyers should at minimum offer their smaller suppliers - and firms sitting deeper in their chains - simple training and explanation: why due diligence exists, what will be asked of them, how to prepare. For the large company the cost is trivial; for a small partner it replaces expensive external advice. Where such support is missing, requests arrive as incomprehensible demands and yield paper compliance.

SMEs

Question 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.

Response as submitted

A clause is fair when the burden it creates remains with the party that created it. The pattern to avoid is visible in many contracts we review: obligations flow down, costs flow down, risk flows down. Terms meeting the test do three things: finance any audit, certificate or corrective measure from the pocket of the party demanding it; replace instant sanctions with notification, a jointly agreed corrective plan and a realistic deadline; and promise no outcome the partner cannot control.

Question 22

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

Response as submitted

Stop making smaller partners repeat themselves. The cheapest support measure costs nothing:in-scope companies should be required to accept evidence already in a partner's possession, where it is sound and credibly sourced. One rule deserves explicit wording: a smaller company that voluntarily publishes a solid ESRS-based sustainability report should face no further questionnaires - the report is the answer. That sentence would relieve SMEs and make voluntary reporting a rational investment.

Remediation

Question 23

In your experience, what are the most effective, including cost-effective, practices related to remediation? Please explain pros and cons.

Response as submitted

Involving affected persons in designing remediation is the most effective practice, together with grievance mechanisms meeting the OECD effectiveness criteria - legitimate, accessible, predictable, equitable, transparent, rights-compatible and dialogue-based. Concretely: a defined remedy roadmap and timelines, escalation where no agreement is reached, channels shaped with stakeholders and adapted culturally, adequate resources and staff, anti-retaliation safeguards, and tracking of outcomes.

Question 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?

Response as submitted

Joint causation is where cost allocation breaks down most often, because the negotiating default is the arithmetically easy equal split. That default is wrong. Involvement should be determined by two factors read together: how much each contributed to the impact and how much economic weight each carries. Half-and-half between a multinational buyer and a family firm is equality on paper only. An express endorsement of proportionality would give the weaker side a reference point it now lacks.

Conflict-Affected and High-Risk Areas (CAHRAs)

Question 25

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

Options selected

- Limited access to data/information

Question 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.

Options selected

- References to and guidance on reputable global indices

Sharing of information and resources, collaboration

Question 28

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

Response as submitted

Commercial confidentiality limits sharing of sourcing structures, prices and volumes, while the GDPR restricts transfers of identifiable labour-rights data, especially across borders. Information exchange is also asymmetric: suppliers disclose their data, but buyers often withhold detailed assessment results, reasons for risk classification and information on their own commitments. Safeguards should address confidentiality and data protection while making exchange more reciprocal.

Question 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 constraints and solutions.

Response as submitted

Data-access limits, personal data, trade secrets and fear of Article 101 deter joint risk mapping and shared supplier assessments, so each firm pays separately for identical data and audits. Good practices:purpose- limited NDAs and anonymisation of worker data, with caution where small-company context identifies individuals. A further obstacle: large companies refuse to engage with smaller partners' codes of conduct, insisting on their own - a weaponisation of market position turning cooperation into unilateral imposition. A sound partner code must be considered. The CSDDD guidelines should say without ambiguity that acting together to secure due diligence within a sector - collective risk mapping, mutual recognition of audits, shared questionnaires and uniform data formats, pooled capacity building - is not merely lawful but positively desirable, and should draw the line where it truly belongs: at coordination of prices and commercial terms. Anything softer preserves the paralysis.

Due diligence support at group level

Question 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)?

Response as submitted

Group structures are less hierarchical than the Directive assumes. A parent may lack power to bind subsidiaries; across jurisdictions, local company law, boards and liability rules may prevent a common supplier code. Even under homogeneous laws, subsidiary boards may refuse group solutions depending on the case. Group due diligence is therefore often negotiated, not commanded. The issue requires a robust regulatory impact assessment at EU and Member State level rather than guidance alone.

Model Contractual Clauses

Question 31

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

Response as submitted

We advise both companies that send due diligence requests and those that receive them. A mid-sized supplier serving several large EU groups may face uncoordinated questionnaires, platforms, codes and audits, often at its own expense. Although these tools can support due diligence, duplication adds cost without improving outcomes. Effective cooperation starts with evidence the partner already holds and limits further requests to material gaps linked to actual risk. Existing evidence, including a voluntary ESRS-based report, should be accepted where it is credible, current and relevant; additional information should be requested only where necessary and proportionate.

Question 32

What cooperation should the model contract clauses recommend between the in-scope company and its business partners as regards: adoption and implementation of prevention/correction action plans; cost of addressing adverse impacts; stakeholder engagement; and notification and complaints mechanisms, so that due diligence is efficient and cost effective while burdens are not shifted to business partners? Please provide examples of appropriate contractual clauses, if possible.

Response as submitted

Model clauses should encode partnership, not hierarchy. Action plans should be jointly developed, use agreed deadlines and involve financing by the party whose requirement generated them. Costs should be expressly allocated: the party demanding a measure should bear it, while remediation should reflect contribution and economic weight. Stakeholder engagement should use existing works councils, unions or community channels. Notification and complaints should be interoperable, giving workers one effective route through either the buyer's or partner's recognised channel. Detailed standard forms, comparable to FIDIC's Silver Book for specialised activity, could help large in-scope companies implement clauses in value chains and purchasing.

Question 33

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? If so, why, and can you provide examples?

Response as submitted

Yes, but the real question is not whether such clauses are needed - it is who they are written for. A jurisdiction clause is the cheapest burden shift available in a contract. Naming the buyer's home courts costs the buyer nothing; for a smaller foreign partner it means litigation abroad, in another language, at a cost exceeding the value of the contract. The clause then works one way only: the buyer can sue, the partner cannot. Nothing in the Directive prevents this, and in practice it is standard. Model clauses should prescribe proportionate dispute resolution: escalation, then mediation, then arbitration in a neutral seat, with costs following the party whose requirement generated the step.

Question 34

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

Response as submitted

Contracts strain against the Directive at two points. Who pays. The CSDDD prescribes measures and is silent on their financing, leaving the question to price negotiation - which settles it, invariably, against the weaker side. A default allocation principle in the guidelines would work the way defaults work in contract law generally: not binding, but shifting the burden of argument to whoever wants to depart from it. What is promised. The diligence duty is effort-based, scaled to how severe and likely the impact is; contract drafting gravitates to fixed promises and clean breach. Forced into that grammar, 'appropriate measures' turns into either an aspiration nobody can enforce or a guarantee nobody can honestly give - and the guarantee variant is precisely what cascades through supply chains today. A model formulation built on duties of cooperation, adherence to a jointly agreed corrective sequence and ongoing information would give drafters a usable third option.

Question 35

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

Response as submitted

We participated in consultations on the European Model Clauses for Responsible and Sustainable Supply Chains and welcome further work on this project. Promising elements include risk-based and proportionate obligations, acceptance of equivalent supplier evidence, safeguards for confidential information, responsible purchasing practices, cooperation on corrective action before traditional contract remedies, and responsible exit. Further work is needed to ensure consistent CSDDD terminology, clear allocation of responsibilities, practical step-by-step processes, protection of SMEs from excessive information requests and additional reporting, and alignment with CSRD and voluntary VSME reporting.

Industry and multi-stakeholder initiatives

Question 36

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

Options selected

- Identification of adverse impacts, including risk assessment
- Prioritisation
- SME support
- Remediation
- Stakeholder engagement

Question 37

What are, in your view, the main challenges for existing industry and multi-stakeholder initiatives in supporting due diligence under the CSDDD? What are the main gaps in geographical, sectoral, topical or value chain coverage?

Response as submitted

Initiatives were meant to pool effort; too often they multiply it. Because schemes do not accept one another's results, a supplier certified under one is re-audited under the next, and the burden lands on the companies the schemes claim to protect. The second weakness is verification quality: an initiative is worth relying on only as far as its assessors are independent and competent. Financial institutions issue sector guidance, but firms adopt it only when a requirement compels them.

Question 38

Which governance or other challenges of existing industry or multi-stakeholder initiatives do you consider most important?

Options selected

- Conflicts of interest or undue influence
- Insufficient engagement with stakeholders
- Processes not adapted to local realities or stakeholder interests

Accompanying measures

Question 39

Which potential facilitation role of the European Commission would benefit your organisation the most and how?

Options selected

- Other roles

Response as submitted

Building shared data infrastructure: risk-factor register, one minimum data set, an ESRS crosswalk, a free living wage reference base.

Third-party verification

Question 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?

Response as submitted

We answer as an advisory firm aware that the rule we support would bind our own market: advisory and verification activity must be structurally separated. An entity or group that advises a company cannot credibly verify it, and no disclosure regime repairs that conflict. The rest reinforces: fees detached from findings, published scope and methodology, rotation, declared conflicts. A verifier must also be free of the buyer commissioning the work, whose stake in the outcome can be equally strong.

Question 41

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?

Response as submitted

Verifier competence should borrow its definition from regimes that already function. The natural benchmark is the accreditation applying to sustainability assurance providers, extended by two elements this field requires: demonstrated expertise in human and labour rights or in the environmental domain under review, and genuine capacity to operate in the language and social setting of the site visited. A generalist audit qualification, however solid, does not equip anyone to detect forced labour.

Question 42

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

Response as submitted

Accountability comes from membership of an oversight system that already works, not from a regime invented for the CSDDD. Accreditation under the sustainability assurance framework, the ISO requirements for bodies performing certification and inspection, and supervision by national accreditation authorities together supply the machinery: quality procedures, complaints, sanctions, withdrawal. A separate CSDDD track would split an already scarce market and raise prices without raising quality.

Meaningful stakeholder engagement

Question 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?

Response as submitted

Effectiveness begins with selection. Engagement organised around the impacts actually identified, involving the stakeholder groups connected to those impacts, yields usable results; engagement designed as a broad consultation of everyone yields documentation. Where affected groups are reachable, structured direct dialogue - interviews, facilitated workshops, targeted surveys - is the cheapest and most informative form. Where they are not, credible intermediary organisations are the honest route.

Question 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?

Response as submitted

Hidden and marginalised groups are reached through organisations that hold their trust - NGOs devoted to that population's rights. The binding constraint is money: such NGOs cannot spend staff time answering companies' questions unpaid, yet direct payment from the company whose chain they scrutinise would undermine their independence. The workable model: an arm's-length fund financed by the largest companies, awarding grants to NGOs representing stakeholders. Guidelines should endorse it.

Question 45

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

Response as submitted

Grievance channels should be anonymous and accessible. Under Poland's Whistleblower Protection Act, implementing the EU Whistleblowing Directive, these duties increase the Ombudsman's workload, although it has a limited enforcement mandate. Labour inspectorates have inspection and enforcement powers and should be funded to play a greater role alongside the Ombudsman. Effective grievance mechanisms remain challenging and should be periodically reviewed by an independent external auditor.

Information for stakeholders

Question 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?

Response as submitted

Applying the stakeholder engagement principles in the OECD guidance at different stages of due diligence. The CSDDD guidelines should explain these principles and clarify how the OECD framework relates to, informs and differs from the CSDDD's specific requirements. They should show how each principle applies throughout the CSDDD process. This would help companies and stakeholders understand what effective engagement requires and support a consistent, cost-effective approach.

Conclusion

Conclusion

If you have relevant documents to bring to the Commission's attention, include a brief description of each file and its relevance. To the extent possible, also include that information in the corresponding questionnaire response fields.

Response as submitted

Two points do not fit a single question. First, draft the guidelines transparently: a balanced working group of companies, NGOs, academia, practitioners, trade unions and auditors, then a public consultation of at least six months with comments and responses published. Second, align them expressly with the OECD Guidelines and show how the CSDDD relates to the other due diligence laws in force.

Extended commentary

On the second point, the OECD's mapping of the laws that directly or indirectly address due diligence illustrates precisely the interconnections we ask the guidelines to make explicit: a company in scope of the CSDDD is rarely subject to it alone, and guidance that treats the Directive in isolation leaves the practical work of reconciliation to the company.