FIDH INTERNATIONAL FEDERATION FOR HUMAN RIGHTS

Open Public Consultation on the Corporate Sustainability Due Diligence Directive (CSDDD) Guidelines

17 July 2026

Integrating due diligence into relevant policies and risk management systems

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?

Companies should develop general human rights policies. They must foresee clear mechanisms that collect risks and controversies, and regularly circulate the information to governance bodies. Where relevant, they should establish an ethics committee that frequently informs the policies and systems in place. Feedback from these policies must account for risks of products and services, including country and client-specific, independently from the financial value of the business operation.

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.

Providing examples could help clarify current ambiguities in the Annex. It is essential that the examples remain non-exhaustive and strictly indicative. They must rely on existing human rights standards, including those contained in the UNGPs and OECD Guidelines. Examples of impacts on civil and political rights, as well as Indigenous Peoples' rights, such as the rights to information, peaceful assembly, freedom of expression, and Free, Prior and Informed consent, would be particularly helpful.

Identification of adverse impacts (including data and information sources)

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?

By adopting a comprehensive approach to impacts identification that goes beyond direct business partners, companies can limit the risks of overlooking serious impacts deeper in their value chains. Meaningful stakeholder engagement with human rights and environmental defenders, workers, trade unions and CSOs prove particularly helpful in that matter.

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.

"Foreign Agents" laws create considerable barriers to accessing information by repressing independent voices valuable to assess risks. Other laws like China's recent decrees restrict information-gathering on supply chains. The Guidelines should clarify that companies operating in such third countries must ensure via their contracts that proper due diligence is possible. The EU may establish an alert mechanism to protect businesses from coercion or interference via diplomatic interventions.

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)?
Maximum 5 selection(s)

- Complaints
- x Stakeholder engagement
- Industry and multi-stakeholder initiatives
- Third-party verification
- 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
- x Use of media, NGO or other independent reports
- Information requests to business partners
- All of the above
- x Other methods

Please specify:

All tools may be relevant depending on the context. Yet, complaint mechanisms are often insufficiently used by stakeholders and should not be exclusively relied upon by companies when assessing risks in their value chain. Stakeholder engagement must be meaningful to be effective. Industry and MSI cannot exempt companies from their responsibility. For this reason, they should be set up in an ad hoc manner. Site visits' usefulness depends on the quality and openness of countries' civic space.

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)?

Due diligence imposes on companies to take ownership of the research tools at their disposal to collect data on their value chain. The development by companies of proactive approaches adapted to their operations, value chains and contexts, alongside the consultation of experts and CSOs, have proven particularly useful. Centralised web-pages (e.g., CAHRAs) tend to lead to confusion and inaccuracies as they often suffer from incomplete data and lack of regular updating.

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.

Useful information and methods can be found in the OECD Due Diligence and Sectoral Guidance, in particular via its frameworks for responsible supply chains of minerals from conflict-affected areas and meaningful stakeholder engagement in the extractive sector. The databases made available by these tools should be supplemented with the information collected by companies during meaningful stakeholder consultations.

Prioritisation

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?

Any human right or environmental abuses must be avoided and remediated in an effective and timely manner. In these situations, risks to irreparable harms should be prioritised. Prioritisation cannot justify violation. Once responsibility and levers are identified, provisional measures should be urgently implemented to address, avoid and remedy direct contributions in priority.

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?

The case of Lafarge in Syria demonstrates that the argument justifying the maintenance of operations to avoid other impacts to arise must be carefully assessed. All other alternatives must be considered to find solutions respectful of human rights. Assessing these alternatives and the subsequent appropriate measures to adopt will enable companies to determine how responsible disengagement is.

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.

An effective remedy should be determined by companies with affected rights-holders through meaningful engagement. This is essential to avoid adopting a one-size-fits all approach, often focused on financial compensation, that would likely fail to address the root causes of the abuses at stake. In order to be effective, remedies should be provided in a manner that is timely, contextually appropriate and centered on affected rights-holders' needs.

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?

Respect for human rights requires that victims have the right to full reparation for the harm suffered, accompanied by effective guarantees of non-repetition. To this end, appropriate mechanisms must be put in place. When several companies have contributed to the same damage, and if this conditions the delivery of a place. When several companies have contributed to the same damage, and if this conditions the delivery of a full remedy, each company should be jointly and severally liable since, without its participation, the damage would not have occurred as it did.

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?

Effective stakeholder engagement must be meaningful and embedded in all steps of HREDD. This implies ensuring timely access to information through accessible and safe channels of communication, guaranteeing protection from reprisals, respecting free, prior and informed consent, and removing barriers to engagement including financial ones. Following up on stakeholders' inputs and reflecting their feedback in decision-making processes can improve trust and the quality of the HREDD process.

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?

Working with trusted intermediaries, such as trade unions, CSOs, and community leaders, coupled with an intersectional approach to risk identification often helps identify marginalised/hidden stakeholders. Companies should guarantee their safe participation and protection from reprisals. When not possible, collaborating with actors already connected to groups may facilitate a meaningful and safe engagement with such groups. The right to FPIC of Indigenous Peoples must be respected at all times.

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

Stakeholder engagement must follow a do-no-harm approach. Using confidential and, where relevant, anonymous grievance mechanisms, confidential data handling practices, neutral off-site venues, separate focus groups for marginalised individuals, clear anti-retaliation and zero-tolerance policies, leverage to prevent and address retaliation towards HREDs, and engagement with trusted intermediaries can contribute to guaranteeing safe and voluntary participation from stakeholders.

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?

Effective stakeholder engagement must be early, ongoing and meaningful throughout the HREDD process. Companies should ensure clear and contextually appropriate access to information, safe participation, respect of FPIC, guarantees of protection against reprisals, and evidence that stakeholders' inputs are reflected in the companies' policies. Transparent follow-up is crucial to demonstrate how stakeholders' concerns have been addressed and appropriate measures taken.

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?

Companies can collaborate with trusted intermediaries when access to stakeholders is difficult at the level of indirect business partners. Although generally not sufficient in itself, using collective leverage via sector-wide collaboration, including multi-stakeholder initiatives, may also be helpful especially to identify alternative entry points for engagement with these stakeholders.

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)?

Safe engagement requires voluntary participation with informed consent and respect of the right to withdraw. Good practices include the use of confidential data-handling and storage practices coupled with data anonymisation, transparency about how and why data is being collected, funding of independent experts with adequate human rights and intersectional training, and consultations' venues safe from surveillance. These should be reinforced by non-retaliation clauses and zero-tolerance policies.

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?

Removing barriers to engagement requires financial support to cover costs stemming from the engagement and prevent economic burden on vulnerable participants. Companies must ensure communication channels are accessible in local languages with jargon and formats matching participants' needs. Engagement should follow an intersectional approach addressing power imbalances, holding separate consultations for women led by female facilitators and interpreters, and respecting local protocols.

Guidelines for supervisory authorities

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?

Member States must strengthen their capacity to ensure that supervisory authorities are independent, sufficiently funded with adequate human resources, and possess appropriate expertise in human rights and environmental law. Member States should ensure authorities are granted a proactive duty to investigate and a proper sanctioning ability to ensure effective deterrence. Authorities should guarantee complainants' protection and engage with affected stakeholders and their representatives throughout the process, notably when formulating corrective measures.