TrustWorks Global

Submission to the European Commission's consultation on guidance for implementation of the EU Corporate Sustainability Due Diligence Directive (CSDDD)

Public Submission

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About

This submission responds to the European Commission's consultation on guidance for implementation of the EU Corporate Sustainability Due Diligence Directive (CSDDD), August 2026.

TrustWorks has spent over twelve years working at the intersection of international humanitarian law, heightened human rights due diligence, sanctions and conflict-sensitivity. Our work spans three pillars: companies, investors, and governments and international organisations. This includes co-authoring UNDP's Training Facilitation Guide on heightened human rights due diligence (2025), advising the governments on business engagement in fragile contexts, and supporting companies and investors directly, from board-level policy and governance through to in-country due diligence and complex stakeholder engagement in active conflict settings.

This combination of regulatory and normative fluency, alongside sustained, on the ground practice, has shaped our approach to this consultation. We have responded only to the questions directly about conflict-affected and high-risk areas (CAHRAs), or with the strongest relationship to them, and have focused throughout on pragmatic, operational answers: how companies can respond to heightened risk in these contexts while protecting people, protecting the context itself, and building the resilience of their own activities.

We note that the consultation's format and character limits necessarily result in a submission that reflects only a fraction of our team's collective experience advising on responsible business in these challenging contexts. We would welcome the opportunity to elaborate on any point raised here should this be deemed help or necessary in the coming months.

We are also regularly invited to brief regulators, industry bodies and investor networks directly on CAHRA-related due diligence, including OECD National Contact Points, the UN Global Compact, and diverse sector- and/or industry-specific initiatives, and would welcome the opportunity to do the same in support of this consultation, whether informally or as part of a more structured process.

In the meantime, we thank the Commission for the opportunity to share our insights, and we look forward to following the process as it moves forward.

For any questions or requests for further detail please contact Josie Lianna Kaye, Founder and CEO of TrustWorks Global, via LinkedIn or josie@trustworksglobal.com.

Topic 1 - 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.

Question1
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 embed CAHRA-specific provisions in three policies: (1) the group human rights and environmental due diligence policy, explicitly triggering conflict-specific due diligence in CAHRAs; (2) board-level risk management and governance policies, naming CAHRAs as a distinct risk category; and (3) supplier and business partner codes of conduct and security policies, aligned with IHL and the Voluntary Principles on Security and Human Rights.

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.

- Yes. Beyond standard human rights and environmental impacts, guidelines should provide clear examples of impacts on conflict dynamics in CAHRAs e.g. hiring, land/water use, or sourcing fuelling intergroup tension, or company linkages with armed groups/criminal organisations via assets, supply chains, or revenue flows. Our field experience shows these impacts are systematically under-scoped without explicit prompting. Guidelines should also reference IHL obligations where relevant.

Topic 2 - 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.

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 the cost-effective way?

- In CAHRAs specifically, detailed value chain mapping i.e. geographically locating own operations, sourcing, and direct/indirect partners, combined with conflict actor mapping (armed groups, criminal organisations) and levels of violence as a proxy for conflict intensity, has proven reliable for surfacing risks. At global level, cost-effective scoping is best achieved by prioritising geographies using contextual risk (CAHRA status) alongside activity-based risk (nature and intensity of presence).

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 the cost-effective way?

- TrustWorks' experience shows the most effective in-depth assessment tool is what we call conflict-specific due diligence: in-country, heightened due diligence combining IHL, hHRDD, sanctions and conflict-sensitivity expertise across a company's operations, supply and value chains. On-the-ground engagement is the only way to accurately verify risks and validate mitigation. Cost-effectiveness comes from confining this to contexts prioritised through scoping, before crises arise.

Topic 3 - 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.

Question 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)?

- Sources like ACLED and RULAC/War Watch are valuable for conflict mapping, but gaps remain in sub-national, granular conflict-risk data and IHL-specific factors (e.g. occupied territories, IHL applicability to private actors) needed for company assessment. We caution against a centralised webpage: risk interpretation is inherently context- and company-specific, and generic guidance risks serious real-world consequences. Guidance on triangulating existing sources would be more valuable.

Topic 4 - 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.

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?

- In TrustWorks' day-to-day experience, CAHRAs consistently emerge as a priority in effective risk-based due diligence; companies should treat them as a critical factor when prioritising risks at the global level. This is indicated in the UNGPs and OECD Guidelines, which emphasise the need for conflict-specific approaches to due diligence in CAHRAs, and in TrustWorks' own research comparing prioritisation logics in CS3D, CSRD, the Conflict Minerals Regulation, the Batteries Regulation, and the Deforestation Regulation (Steptoe and TrustWorks Global, "CAHRAs and Risk Prioritization under EU Sustainability Regulation," Technical Brief, June 2026). We have found CAHRAs are frequently prioritised across sectors, for three reasons:

  First, CAHRAs are expressly mentioned in several regulatory requirements; the EUCMR, for example, is focused on 3TG sourced from CAHRAs. Second, CAHRAs are woven into the architecture of prioritisation; the EUBR, for example, implicitly prioritises CAHRAs by incorporating Annex II of the OECD Guidance, a graduated array of responses to supplier wrongs based on five categories, the two most severe of which - serious violations of human rights and IHL, and support to non-state armed groups - directly relate to CAHRAs. Finally, CAHRAs correlate closely with salient human rights risks such as forced and child labour (see our research, cited above, for figures). We recommend guidelines explicitly recognise CAHRAs as a key priority criterion for upstream and downstream due diligence at the global level.

  CAHRA exposure also implicates overlapping human rights, conflict, environmental, and governance risks, extending beyond sustainability into broader integrity and compliance exposure, including corruption, money-laundering, sanctions violations, and terrorist financing; prioritisation should therefore be multi-layered and cross-functional, not siloed within a single risk category.

  At the operational level, scope, scale, and irremediability are the prioritisation criteria for human rights risks and impacts as defined by the UNGPs; on the specific question of how to weigh conflict-related risks against other human rights impacts within prioritisation, we draw attention to the UN Working Group's report on "business, human rights and conflict-affected regions: towards heightened action" (2020, A/75/212), which addresses this directly:

  "An impact may be categorized as less severe by the scale-scope-irremediability criteria, but still likely to drive conflict [...]. Businesses need to consider salient risks

in terms of both human rights and conflict. Then, because the impact of conflict is usually more severe for more people, businesses should prioritize salient conflict issues which are not identified as salient in terms of human rights; and, finally, salient human rights issues which are considered unlikely to cause or exacerbate conflict" (para. 51).

Companies should therefore prioritise on this basis: in the majority of cases, conflict-related risks and impacts will be more salient than human rights-related impacts with no relationship to the conflict, because, generally, their scope, scale and irremediability tend to be greater. This is confirmed by TrustWorks' own experience conducting such assessments on the ground.

As such, while a severity-based analysis is always required, impacts identified during a conflict-specific due diligence process can be prioritised according to the tiers defined by the UN Working Group, subject to one overriding caveat: impacts amounting to violations of, or complicity in, IHL, and risks of sanctions violations, must be treated as legal risks by virtue of binding legal obligations and sit outside this tiering. Within the remaining impacts: Priority one covers activities with actual or potential impacts on both conflict and human rights; Priority two covers impacts on conflict alone; Priority three covers impacts on human rights alone, with no relationship to conflict.

These tiers describe a general pattern grounded in the UNGPs' own severity criteria and are not a substitute for severity assessment in any individual case. Where a Priority 3 impact is itself highly severe (for example, an imminent threat to life with no connection to the conflict), it must be prioritised accordingly: the tiering reflects how "conflict-relatedness" typically affects severity, not a mechanical override of severity itself.

Conflict-related impacts are, in practice, almost always difficult, if not impossible, to remediate once they occur; the most effective form of remediation is prevention.

We recommend the guidelines adopt this tiered approach explicitly, as it gives companies a workable decision rule for prioritisation beyond severity/likelihood alone, directly addressing the "not feasible to address all impacts at once" scenario this question raises, while acknowledging limited exceptions to this "rule of thumb."

Topic 5 - 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).

Question 25

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

Answer 1
- Limited access to data/information: difficulty verifying information due to data-poor environments or restricted physical access

Answer 2
- Safety risks to stakeholders: inability to consult with affected individuals and communities without exposing them to retaliation or violence

Answer 3
- Safety risks to staff: security threats to company personnel or auditors preventing on-the ground assessment

Answer 4
- Legal conflicts: national laws (e.g., secrecy acts, counter-terrorism laws) that conflict with due diligence expectations

Answer 5
- Complexity of supply chains: difficulty tracing business partners in informal or opaque war economies

Answer 6 (chosen)
- **Other:** Limited understanding of conflict-specific risks, requirements of heightened human rights due diligence, and the need for a distinct methodology.

Topic 6 - 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.

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:

Answer 1
- 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)

Answer 2
- 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

Answer 3

- 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

Answer 4 (chosen)

- **Other:** A list of contextual risk indicators and guidance on using existing indices would both be useful.

Topic 7 - 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?).

Question 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?

Answer

- Three tools stand out: CDA Collaborative's "Do No Harm" framework for conflict-sensitive operations; the UNDP Training Facilitation Guide on hHRDD (Part III), the most comprehensive guidance on conflict analysis aligned with hHRDD; and the Voluntary Principles on Security and Human Rights for companies using private/public security in CAHRAs. Gap: no tool unifies IHL, hHRDD, conflict-sensitivity and sanctions exposure - what TrustWorks calls "conflict-specific due diligence.

Topic 8 - 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.

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?

- TrustWorks' experience suggests that involving an independent law firm to facilitate peer-to-peer collaboration can address anti-competition concerns and enable collective CAHRA due diligence. This works well for shared supply chain risks in CAHRAs, where companies source from overlapping suppliers - and where conducting appropriate, conflict-specific DD can be more complex and requiring very niche expertise. This can be more challenging, however - both legally and practically - for operations in CAHRAs, where competitive sensitivities limit collaboration.

The case for collaborative approach to DD for supply chains risks in CAHRAs is strong: buyers acting collectively hold more leverage over shared suppliers than any single buyer alone, and such leverage is all the more necessary in CAHRAs due to weak or insufficient in-country legal frameworks. Sourcing-focused collective approaches let companies share costs, streamline learning, and coordinate follow-up. Privileging shared information within a law-firm framework reduces individual exposure on disclosure, liability, and compliance.

Topic 9 - 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.

Question 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?

- TrustWorks' experience suggests that there is confusion, even among expert entities, about the differences between HRDD and conflict-specific due diligence (IHL, hHRDD, sanctions) recommended in CAHRAs. Third-party verifiers in CAHRAs should demonstrably understand these differences - including IHL applicability, hHRDD and sanctions exposure - rather than applying generic HRDD verification competence to a fundamentally different risk context.