Shift

CSDDD Guidance Consultation – Shift Working Draft

This is a working draft of Shift's submission on questions 1 to 45 for the development of Guidelines under the Corporate Sustainability Due Diligence Directive (CSDDD) as of 16 July 2026. The answers are within the limits on maximum characters for responses set by the questionnaire. We welcome stakeholders to use it as they prepare their own submissions and invite any feedback via ruben.zandvliet@shiftproject.org.

Question	Draft submission
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 d you consider most relevant?	No specific response - we are focusing Shift's answers on other points
Human rights (including labour rights) and environmental impacts	
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.	• How impacts are interconnected. This can be because one impact is the root cause of another impact, for example the failure to pay living wages as a root cause of child labor. Furthermore, climate & environmental impacts may affect human rights • The implications of Recitals 33 42 on the relevance of conventions not in the Annex (especially on FPIC and IHL) • Relevant differences in timelines in how impacts are expected to be addressed (e.g. progressive realization of living wages versus prompt action on state-imposed forced labor)
3. If you already apply corporate sustainability due diligence in your value chain, do you have a	Guidance should emphasize the need to use leading indicators to assess whether DD systems and actions are likely to identify, prevent or mitigate impacts, and not only lagging indicators to assess whether

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.	outcomes for people are improving. Also, it can clarify what the guardrails and guidelines for indicator design are. Indicators should not only measure inputs and outputs, but changes in behaviors that raise/lower risk, and should require stakeholder engagement.
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?	• DD needs the best available information, not perfect information in order to get to action • Effort peaks in the first cycle; once risk areas are known it shifts to monitoring new triggers — changes in the business or external context • Cost-effective = efficient for the company and effective for DD: credible external risk data, existing relationships (e.g. agreements with global unions), pooled scoping with peers , and in-house HR/environment expertise over expensive bespoke tools.
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?	• In-depth tools take many forms — a full HRIA is not always required • Audits, questionnaires and digital tools support but not replace engagement with stakeholders and their representatives — often the only reliable source on systemic harms (debt bondage, sexual harassment, freedom of association) • Cost-effectiveness means the ability to synthesize diverse sources and knowing when direct engagement is essential to real insight
6. In your experience, what tools proved particularly helpful to identify indirect business partners in the value chain?	• Limited visibility is a risk indicator to investigate, not proof of no impact (Recital 41): where credible sector evidence shows severe impacts, assume likely connection and consider appropriate action, even before tracing a direct link to the company's operations, products or services. • Don't treat identifying indirect partners as contractual cascading or tier-1 auditing. Use sector/commodity risk analysis, peers and credible proxies; traceability is a tool, not a precondition
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	There are both general restrictions on civic space – such as freedom of association – that impair efforts to identify impacts, as well as more explicit restrictions on information gathering. They require different responses. In general, collaborative rather than policing approaches to due diligence with business partners and engagement with credible proxies and experts will help companies understand and address impacts in sensitive contexts, as well as to avoid creating risk to affected stakeholders.

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.	
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?	• Most useful at scoping to identify general risk factors, not a substitute for in-depth assessment • Useful sources include labor inspectorate records, public risk lists and sanctions/trade data • Central access would support SMEs; absence from a dataset does not mean absence of impact
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)? **[List of options]**	[Check: Stakeholder engagement; Complaints; Media/NGO/independent reports; Site visits; Information requests to business partners; Other methods] Other methods: • Methods are complementary, not substitutes; cost-effective = efficient AND effective for DD: where impacts are complex, interconnected or hidden by context (restricted civic space, no unions), engagement with those affected or credible proxies is what yields real insight. • Methods closest to affected people best surface severe impacts that audits and information requests miss; use a range of approaches appropriate to context, not ranked by cost.
Risk factors	
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)?	• Useful sources: OECD sector DD guidances (e.g. garment, minerals, agriculture), ILO and trade union data, commodity risk repositories and credible CSO databases — grounded in standards the CSDDD builds on • Biggest gaps: downstream and use-phase impacts including product/service design, services, environment-human rights links, and informal sectors • Rather than a new centralised resource, the Commission should strengthen signposting to existing helpdesks (EU, UN, national)

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.	• Scoping: structure the broad scan around location, activities, partners and affected people, and bring business model red flags into the analysis (Recital 41) • In-depth: direct engagement with affected stakeholders and their representatives becomes central, alongside desk research, to establish how harm is actually experienced • Monitoring: include direct stakeholder feedback, not internal assessment alone, or risk failing the "reasonable grounds to believe" test (Article 15; Recital 61)
Digital tools	
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.	• Per Recital 68, digital tools "could support" but are not indispensable; guidance should not imply credible DD always requires digital tools • Most useful: supply chain mapping/traceability platforms, adverse media and sanctions screening, geospatial monitoring, and worker voice tools • Pros: scale and triangulation. Cons: false confidence, weak on certain harms, digital exclusion of the most vulnerable • Treat them as support for further enquiry, not a substitute for stakeholder engagement
13. Have you encountered any difficulties or problems with digital tools, including issues that cause unnecessary burdens?	• Several difficulties arise, not one dominant one • Duplication: SMEs face many overlapping platforms and questionnaires • Tools assessing country/company risk often rely on adverse media or public reporting, so they under-detect risk where civic space is restricted and the vulnerable are most exposed • AI offers real opportunities to analyse and synthesise data, but its outputs carry imperfections and need human judgement and verification
14. Do you think there should be additional digital tools? What functionalities and tasks should these focus on?	We would place less emphasis on the development of additional proprietary tools and more on two priorities. The first is shared infrastructure and interoperability that reduces duplication — for example the kind of centralised public risk resource discussed in response to Question 10, and common data standards that allow information to be reused across schemes rather than re-collected. The second is functionality that strengthens, rather than substitutes for, engagement with affected stakeholders. There is real value in tools that make worker voice and grievance channels more accessible

	and secure, including for informal and vulnerable workers, with appropriate safeguards for anonymity and against retaliation, which connects to the points made in response to Questions 45 and 48. We would also see value in functionality that helps companies synthesise diverse sources of information into actionable intelligence, and that supports collaboration between companies within the limits of competition law, as recognised in Recital 49. We would, however, caution the Commission against framing any of this in a way that suggests credible due diligence always requires sophisticated digital toos. Consistent with Recital 68, digital tools "could support" due diligence; presenting them as indispensable would disadvantage smaller companies and risk turning due diligence into a procurement exercise rather than a process of identifying and addressing impacts.
Prioritisation	
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?	We recommend the inclusion of three points in the guidance: (1) that prioritisation should not default to a focus on direct business partners; (2) the use of severity and likelihood as the only factors for prioritisation; and (3) the need to take full account of severity over likelihood in the case of adverse human rights impacts specifically. First, prioritisation should not default to a focus on direct business partners ("tier 1"). Article 8.2a.c provides that companies *may* prioritise the in-depth assessment of direct business partners where impacts are equally severe *or* equally likely. This is a narrow permission tied to a specific stage of assessment, and it should not be read as endorsing a general tier-1 focus. Every other test for focusing due diligence under Article 8 — and, importantly, the prioritisation rule in Article 9 — refers to severity *and* likelihood together. Companies would therefore be ill-advised to deviate from that general 'severity-and-likelihood' approach on the basis of Article 8.2a.c, and the Commission guidance should make this clear. Where severe impacts arise deeper in the chain of activities, they should be prioritised on the same basis as impacts closer to the company, regardless of tier. Second, severity and likelihood are the only relevant factors for prioritisation under the CSDDD. Recital 44 helpfully notes this, and makes explicit that factors such as influence, involvement, proximity and potential liability are therefore not relevant to prioritisation. It is important that these exclusions are also made explicit in the guidance. Without it, experience shows that companies may be tempted to let such factors drive prioritisation decisions — for example deprioritising an impact over which they have limited control,

	or one that sits far from their own operations — which would displace the focus on the most severe actual and potential impacts on people. Third, the guidance should address the importance of severity in the case of adverse human rights impacts specifically. The CSDDD covers both human rights and environmental impacts and places severity and likelihood alongside each other; unlike the UNGPs, it does not single out severity as the key criterion for human rights impacts. However, the guidance can, and should, make clear that companies are not precluded from giving particular weight to severity when prioritising human rights impacts— in particular, that a high severity human rights impact should not be discounted simply because it is judged as unlikely to occur. Official reviews of major catastrophes, including the Fukushima nuclear disaster and the BP Gulf of Mexico oil spill, found that the companies involved had failed to put adequate prevention and remedy measures in place because the events were considered too unlikely, despite their catastrophic consequences for people. This illustrates why low likelihood alone should not remove a severe potential impact from prioritisation. Of course this does not mean that high likelihood impacts should be discounted in a company's prioritization process. Nor does it mean that companies should focus all their subsequent efforts on high severity, low likelihood impacts. The UNGPs recognize that the effect of delayed action on the remediability of an impact should influence decisions at the next step of due diligence, when the company is deciding what actions, resources and overall effort to direct towards each of its prioritized impacts. For example, if there is widespread evidence of violations of workers' rights to collective bargaining, where workers have lost their jobs and delayed action may make reinstatement difficult or impossible, then there is a strong argument for companies to prioritize resources to tackle this. Prioritising human rights impacts on this basis reflects the UN's official guidance on the UNGPs, and is fully compatible with the CSDDD. It is also the approach taken in the ESRS, which provides expressly that for a potential negative human rights impact, the severity of the impact takes precedence over its likelihood (Simplified ESRS 1, para 40). This approach would thus support a single, coherent process across due diligence under the CSDDD and reporting under the CSRD. Likelihood remains relevant, including in distinguishing between impacts of comparable severity; the point is that low likelihood alone is not sufficient reason to set aside a severe potential impact.
16. Regarding situations when it is "not feasible to address all identified impacts at the same time and to their full extent", what other	We recommend that the guidance clearly distinguishes between two steps that this question risks conflating: the prioritisation of impacts under Article 9, and the subsequent planning of appropriate action.

elements are particularly relevant to support companies in performing an appropriate risk prioritisation process?	The "other elements" the question refers to are relevant to the second step, not the first. Keeping these steps distinct preserves the architecture of Article 9 and gives companies a workable management logic. First, prioritisation itself is based exclusively on severity and likelihood. As set out in our response to Question 15, Recital 44 makes explicit that these are the only relevant factors. Guidance should therefore not introduce other elements into the prioritisation step. In practice, companies may be tempted to rely on other factors such as business volume or exposure, leverage or reputational concern.Treating any of these as prioritisation criteria would be contrary to the Directive. It would also confuse the market at the very moment companies are aligning their processes with the CSDDD. Second, the guidance can helpfully clarify when prioritisation is necessary at all. Whether it is "not feasible to address all identified impacts at the same time and to their full extent" should be assessed at the level of the whole enterprise and taking into account the seriousness with which the business addresses other enterprise-wide risks, not, for example, against the budget of the sustainability function. Different impacts are typically owned by different business functions: occupational health and safety for the own workforce sits with human resources, potential forced labour in raw material sourcing sits with procurement, and other impacts sit with operations, legal or commercial teams. These functions do not compete for the same resources. Even where addressing a forced labour situation requires significant procurement resources, this does not necessarily make it less feasible to address potentially less severe OHS impacts in parallel. Recognising this enterprise-wide view of risk expands a company's practical capacity to act on multiple impacts simultaneously and may in some cases reduce the need to prioritise in the first place. The guidance should also distinguish capacity as a genuine constraint from capacity as a resourcing choice: constrained resources are a reason to sequence action transparently over time, not to treat current resourcing as fixed, particularly for larger companies that are expected to grow due diligence capacity over time. Third, once impacts have been prioritised, a range of considerations may legitimately shape how companies plan and organise action: • Leverage: greater influence over one business relationship may justify acting there quickly, without changing the underlying ranking of impacts • Nature of involvement: whether the company causes, contributes to or is directly linked to an impact shapes the appropriate action under Articles 10 and 11

	• Sequencing and resources: some measures can begin immediately while others realistically start later; provided sequencing is transparent and time-bound, this is implementation planning, not a change in the initial prioritisation • Organisational ownership: assigning impacts to the functions best placed to address them may also lead to different timelines in taking action. Finally, the guidance should make clear that companies ultimately are expected to prevent and address all identified impacts. Impacts that are not prioritized are not permanently abandoned: they may be scheduled into a later cycle, managed through existing mitigation measures, or placed under monitoring so that any escalation is detected. Any change in an impact's priority should rest on new evidence about the severity or likelihood of the impact on people, not on the impact proving difficult or costly to address. For this reason we recommend that the guidance avoids the term "deprioritised" impacts, which suggests an indefinite or permanent status, or a matter of company discretion, rather than a question of sequencing in good faith based on a transparent rationale.
Responsible disengagement	
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?	• Yes — deciding not to disengage because of severe additional impacts is a recognised feature of responsible DD • Shift's work with companies and stakeholders in the Ethical Trading Initiative on Myanmar shows how: brands pooled an evidence-based assessment of whether staying or exiting would cause more severe harm to workers; staying was conditional on heightened DD and transparency; where exit later became unavoidable, it followed a framework negotiated with unions. • Keep the decision under active review

Purchasing practices	
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.	• Cost-effective purchasing means moving from policing to partnership; purchasing, design and distribution practices are named measures in the closed list (Art 10(2)/11(3)) • Core practices: fair, transparent cost negotiation (open costing; prices accounting for labour costs/living wages); timely, shortened payment terms; adequate lead times and co-created calendars; accurate forecasting and avoiding penalties • While these changes may raise short-term unit costs, overall they are cost-effective because poor purchasing is a root cause of severe impacts (excessive overtime, wage theft, unsafe conditions, unauthorised subcontracting). Addressing them up front prevents harm and cuts disruption, defects and exposure • Most context-specific in fast seasonal sectors (lead times/forecasting) and agriculture (living income pricing) • Example terms: responsible/shared responsibility contracting; no unfair unilateral changes or chargebacks; prices reflecting verified labour costs
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?	• Two inputs: a living income benchmark (Anker Country Index; ALIGN; LICOP) and actual household income — the gap is what you act on; a Living Income Reference Price (Fairtrade; GIZ) tests pricing. • Biggest gap is actual income data (surveys are costly) and missing benchmarks for some commodities/geographies; pool data, use estimation tools and proxies • HRDD lens: averages mask the poorest farmers — prioritise the most severe deficits: see Shift's LICOP living income DD guidance

Investment	
20. Which cost-effective practices are you aware of as regards companies making investments in their value chains to prevent or address adverse impacts?	• Cost-effective investments are specific and preventive: management-systems, OHS and worker-voice/grievance upgrades, plus supplier financing • Pooled investment via industry initiatives lowers cost, but only where tied to verified change in practice (e.g. the International Accord's inspection-and-remediation model), not participation alone • Investing in improving the buyer's own practices (forecasting, planning) often outperforms supplier-side spend alone
SMEs	
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.	• Contractual terms with SME partners should support, not police them: the CSDDD requires them to be fair, reasonable and non-discriminatory and not to shift compliance burden (Arts 10–11) • Pair contractual terms with active support; contracts alone do not deliver due diligence • Avoid cascading one-way representations and zero-tolerance clauses that incentivise hiding rather than addressing impacts
22. In your experience, what are the most cost-effective measures to support SMEs? What are the pros and cons?	• Targeted, proportionate support: training, systems upgrades and, where compliance threatens viability, financial support or guarantees of continued sourcing (Art 10(2)/11(3)) • Companies may also take supportive/capacity-building measures beyond the closed list for any partner (Art 10(3)/11(4)) • Support is more cost-effective than enforcement: it builds capacity that prevents impacts; collaboration cuts duplicative demands on SMEs (Recital 49)

Remediation	
23. In your experience, what are the most effective, including cost-effective, practices related to remediation? Please explain pros and cons.	Please clarify that effective remediation is about process and outcomes that effectively address harm from the perspective of those affected. It should explain that remedy for harms extends beyond compensation: e.g. apologies, restitution, rehabilitation and guarantees of non-repetition. Remedy must respond to stakeholder needs and context, otherwise apparent 'solutions' may miss what is truly important to them, leading to greater costs for companies in the medium-long term.
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?	Companies need clarity and confidence about the intent of the CSDDD's terminology. Reiterating that the CSDDD-specific terminology is intended to map to the concepts of cause, contribute and directly linked as they are understood in the international standards (per recitals 45 and 53) is key.It should also specify what the parameters of 'jointly causing' (or 'contributing') are, in incl. contribution in parallel with another entity as well as contribution through a business relationship.
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?	[Check all options]
26. To assist companies in determining when specific due diligence obligations apply,	[Check all options] With option 'Other' add:

would specific guidance regarding the identification of "high-risk" areas beyond active conflict zones be helpful? If so, please indicate your preference:	Per recital 42 CAHRA status operates as a risk factor under Art 8 not as a parallel process with its own method
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?	Tools that some companies have made good use of include: tiered country screening that reserves in-depth assessment for the most severe contexts; red-flag indicators, external and internal, that signal when conflict analysis is needed; structured questionnaires for in-country input; conflict actor mapping; and scenario planning that connects findings to decisions on entering, staying, adjusting or exiting.
Sharing of information and resources, collaboration	
28. What are the main reasons that make information problematic to share with business partners? What best practices have emerged to address such concerns?	Information sharing between business partners is hindered by suppliers' fear of buyer-imposed zero-tolerance commitments, excessive and fragmented data requests, and concerns over confidentiality and competitiveness. Efforts such as shared assessment frameworks and wage analysis tools aim to reduce burdens while protecting sensitive data. Industry initiatives, including the Sustainable Terms of Trade Initiative and anonymous supplier surveys, promote fairer purchasing practices and collaboration.
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?	Cooperation is most effective when companies within the same supply chain collaborate to address systemic human rights issues that require collective action and shared leverage. Initiatives such as the International Accord and the Responsible Sourcing Initiative in plastics recycling demonstrate the value of coordinated approaches. While perceived competition law risks can discourage collaboration, successful examples such as ACT on Living Wages and the International Accord show that companies can work together with shared suppliers while remaining compliant. These and similar pre-competitive collaboration models used for environmental challenges can be applied to address human rights risks.

Please describe the types of constraints encountered and any solutions (e.g. organisational or procedural steps) found to overcome those obstacles.	
Due diligence support at group level	
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)?	No specific response - we are focusing Shift's answers on other points
Model Contractual Clauses	
31. What is your experience of cooperating with business partners to ensure efficient due diligence?	Effective due diligence between companies and business partners is often hindered by a relationship model focused on monitoring and enforcement rather than partnership and shared responsibility. Companies too often seek to "police" suppliers through codes of conduct, contractual requirements and audits, with responsibilities flowing mainly from buyer to supplier. Embedding shared responsibility for due diligence requires a relational and iterative approach, which typical commercial contracts do not accommodate. Effective due diligence depends on ongoing cooperation, transparency, trust and mutual engagement.

	Key barriers include tensions between human rights commitments and purchasing practices focused on cost and risk reduction; commercial consequences linked to failed audits and zero-tolerance approaches that discourage transparency and remediation; and insufficient buyer support to help business partners meet due diligence commitments.
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.**	We urge the Commission not to develop a prescribed or closed list of cooperation models. Instead, guidance should set out principles that contracts should support, including shared responsibility, responsible purchasing practices, remediation of impacts and responsible exit. Simply integrating predefined contractual clauses will not be sufficient to foster effective cooperation. Contractual coherence is also essential. Companies must ensure that other provisions do not create conflicting incentives. For example, supplier codes of conduct risk becoming tokenistic if suppliers are simultaneously subject to unrealistic lead times, last-minute order changes or delayed payments. Companies are increasingly including provisions that directly address environmental and social impacts, such as living wages.
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?	No specific response - we are focusing Shift's answers on other points
34. Are there other elements required by CSDDD that are challenging to translate into contractual terms? What could be ways to overcome this challenge?	The most challenging element is embedding genuinely shared responsibility for due diligence into contracts. Effective due diligence requires an ongoing, collaborative and risk-based approach—not just standard clauses. Continuous risk management, dialogue and adaptation cannot be fully captured in static contracts. Contracts should therefore be part of a broader due diligence framework, supported by governance mechanisms such as regular reviews, cooperation and capacity-building.

35. Are you aware of any useful and relevant best practices for contractual clauses operationalising human rights and environmental due diligence? If yes, elaborate.	No specific response - we are focusing Shift's answers on other points
Guidance on fitness criteria for industry and multi-stakeholder initiatives (Article 20)	
36. In your view, for which due diligence measures do industry or multi-stakeholder initiatives offer the biggest added value? **[List of options]**	Check: o Identification of adverse impacts, where these are common to a supply chain o SME support where there are shared suppliers o Increasing leverage through collaboration, also to encourage consistency of effort and outcomes o Remediation, where responsibility is shared o Stakeholder engagement, to reduce the burden of multiple demands Other: Complaint mechanisms, to provide clarity for complainants
37. What are, in your view, the main challenges for existing industry and multistakeholder initiatives in view of their role in supporting due diligence under the CSDDD? What are the main gaps in the geographical, sectoral, topical or value chain coverage of existing industry and multi-stakeholder initiatives?	No specific response - we are focusing Shift's answers on other points
38. Which of the following governance or other challenges of existing industry or multistakeholder initiatives do you consider as being the most important?	No specific response - we are focusing Shift's answers on other points

Accompanying measures	
39. From the list below, which specific potential facilitation role of the European Commission would benefit your organisation the most and how?	Check ‘Other roles’: providing companies clarity they can implement various legislative requirements through a single, coherent approach.
Guidance on third-party verification (Article 20)	
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?	The Commission should promote safeguards for credible assurance and audit processes, including separation between verification and advisory services, governance structures that protect independent decision-making from commercial pressure, and remuneration models that avoid conflicts of interest. Verification fees should be fixed in advance and not linked to outcomes. Guidance should also encourage transparency through disclosure of methodologies, assessment criteria, limitations and verification reports to enable meaningful external scrutiny.
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?	The competence of third-party verifiers should be proportionate to the risks assessed and judged by the quality and reliability of their insights, not technical qualifications or audit experience alone. Verification teams should combine assurance skills with human rights and environmental expertise, including an understanding of due diligence principles, and apply an interdisciplinary approach reflecting the links between human rights and environmental impacts.
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?	No specific response - we are focusing Shift’s answers on other points

Meaningful stakeholder engagement	
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?	• Three tiers: 1) affected stakeholders and legitimate representatives (eg trade unions); 2) credible proxies for their views; 3) experts — are complementary, not substitutes • Cost-effectiveness means knowing when to engage with which tier. Eg, engagement with affected stakeholders is essential for in-depth assessment; proxies and experts more appropriate for initial scoping and informing prioritization • Poor quality engagement has financially material effects. High quality engagement gives insights into impacts and effectiveness of action
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?	• The most severely affected stakeholders are often those who lack status or influence; companies should avoid engaging only with those who are loudest or most visible • Companies are responsible for identifying and addressing barriers to their participation by seeking appropriate expertise to understand cultural and other constraints and adapting methods of engagement • 'Hidden stakeholders' can often best be reached by credible proxies who are already in touch with them
45. What are the most robust and cost-effective mechanisms for guaranteeing confidentiality and protecting participants from retaliation?	Measures should be adapted to the nature of the risk and can include more limited and/or anonymized data gathering and sharing, using trusted third-party facilitators, choosing safe/neutral venues, using digital reporting channels, conducting detailed risk assessments in CAHRAs, and seeking stakeholder verification of whether the company's measures are working in practice. Companies should rely on independent trade unions where they exist. Mechanisms that involve and/or are led by workers or local communities are more likely to be trusted by affected stakeholders.