

# Transposing the CSDDD – Navigating Legal Uncertainties amidst the Omnibus proposal and Implementation Challenges

## Policy Brief - Overcoming Transposition Challenges of the CSDDD, Some Best Practices





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The [NOVA Centre on Business, Human Rights and the Environment](#) (BHRE) is an innovative and multidisciplinary academic centre dedicated to promoting responsible and sustainable business conduct. Its mission is to uphold respect for human rights, decent work and environmental standards throughout global value chains.

The [British Institute of International and Comparative Law](#) (BIICL) exists to advance the understanding of international and comparative law, and to promote the rule of law in international affairs.

The [Leuven Centre for Global Governance Studies](#) is an interdisciplinary research centre of the Humanities and Social Sciences at the KU Leuven (University of Leuven). It has been founded in 2007 and conducts international, innovative and interdisciplinary research on global governance.

[HIVA](#) is a multidisciplinary research institute, affiliated with KU Leuven, specializing in policy-oriented research focused on labour market dynamics, social policy, education, business and human rights, and sustainability. The institute bridges academic inquiry with real-world impact, aiming to support evidence-based policymaking at national and international levels.

The [Mediate](#) project (2024–2028) is a consortium of Belgian research groups at KU Leuven and University of Ghent, exploring how intermediary actors—like consultants, auditors, NGOs, trade unions, and federations—shape corporate sustainability due diligence. It investigates their roles in interpreting, implementing, and contesting the emerging regulatory framework at EU level. The project also aims to empower these actors through practical tools, guidelines, training, and dialogues, strengthening their positive contribution to responsible business practices.

# Table of Contents

Overview .....	1
Panel II – Overcoming Transposition Challenges of the CSDDD, Some Best Practices .....	2
National Updates on CSDDD Transposition .....	2
Principles Guiding the Transposition Process .....	2
Grievance Mechanisms: A Cornerstone for Accountability .....	3
Supervisory Authorities: Enforcement with Independence.....	3
Policy Challenges and Political Realities .....	4
Conclusion and Takeaways .....	4
Policy Recommendations .....	5
Useful Resources.....	6

## Overview

On 28 May 2025, the NOVA Centre on Business, Human Rights and the Environment, the British Institute of International and Comparative Law, the Leuven Centre for Global Governance Studies and the HIVA Research Institute for Work and Society hosted a workshop titled "**The Transposition of the CSDDD - Navigating Legal Uncertainties amidst the Omnibus proposal and Implementation Challenges**" in Lisbon, Portugal. The event brought together 20 policymakers from 9 European countries and over 30 experts from 15 countries across 5 continents representing legal practice (lawyers and consultants), civil society, academia, national human rights institutions, and international organizations such as the UN, the Council of Europe, and the OECD Centre for Responsible Business Conduct.

The workshop served as a platform for policymakers to clarify recent developments, consider future regulatory scenarios, and identify immediate actions for effective CSDDD transposition.

Key themes included lessons learned from the comparative experiences of countries that have already adopted legislative frameworks on mandatory human rights and environmental due diligence (HREDD). Participants explored critical elements that national transposition laws must include to ensure effectiveness and considered strategies to support companies in fulfilling their HREDD obligations.

The workshop also offered practical guidance for policymakers, including immediate steps to align national legislation with international standards and with the CSDDD, and emphasized the importance of engaging with businesses, civil society, and other stakeholders.

This is the second of three briefs summarising key discussions and takeaways from each of the panels of the workshop. The first brief focuses on lessons learnt from the comparative experiences of previous HREDD regulation for implementing the CSDDD. This brief considers best practices to overcome transposition challenges of the CSDDD. The third brief will highlight developments and initiatives in the area of accompanying measures for HREDD regulation.

## Panel II – Overcoming Transposition Challenges of the CSDDD, Some Best Practices

### National Updates on CSDDD Transposition

The panel opened with a session of country-specific updates. Nine EU Member States representatives gave an update. It was evident that EU member states are at different stages of transposing the CSDDD, with varying approaches and ministries involved in the process, including the ministries of economy, labour, foreign affairs, children and family, sustainable development and justice. Most representatives indicated that current transposition processes are put on hold due to the uncertainties created by the Omnibus proposal. Several representatives also mentioned resource constraints hampering the transposition process. Although constrained by limited resources, some countries have already held consultations with businesses and trade unions and begun drafting the legislation. Only the Netherlands published a draft legislation in November 2024, based on the version of the CSDDD adopted on the 13 of June 2024, and which was opened for public consultation until the 29th of December 2024.

Next the panel discussed the key elements that the national laws transposing the CSDDD need to have in order to ensure their effectiveness.

### Principles Guiding the Transposition Process

Several speakers underscored the need to stay grounded in existing international standards such as the UN Guiding Principles (UNGPs) and the OECD Guidelines for Multinational Enterprises and Responsible Business Conduct, advocating for a due diligence approach that is preventive, proactive, and practical.

3 key elements were highlighted in particular for the national transposition laws:

- **A risk-based approach is essential.** Various speakers called for legal frameworks on HREDD that incentivize businesses to prioritize the most severe risks and act on root causes.
- **Meaningful stakeholder engagement is a cornerstone of effective due diligence.** Experts highlighted that engaging stakeholders—particularly rightsholders—is critical to the success of human rights and environmental due diligence. It was emphasized that such engagement must occur throughout the entire due diligence cycle, not just during the identification and assessment phase.
- **Ensuring access to remedy.** In case harms do occur, ensuring that victims have access to effective remedy is essential and core to the corporate responsibility to respect human rights. This is both through civil liability (discussed in section 1), and grievance mechanisms (detailed below).

The importance of clarity and consistency was also emphasized, calling on the European Commission to provide comprehensive guidance to avoid fragmented national interpretations.

## Grievance Mechanisms: A Cornerstone for Accountability

A detailed segment focused on the importance of grievance mechanisms. Building on insights of existing grievance mechanisms in the context of corporate accountability it was stressed that well-functioning grievance mechanisms could produce tangible results such as worker reinstatement, land restitution, and strengthened trade unions. However, it was also mentioned that most current grievance systems to hold companies to account are ineffective, often becoming "dead ends" for complainants.

Participants agreed on the need for strong design principles for grievance mechanisms, rooted in effectiveness, accessibility, and stakeholder empowerment. There was a shared recognition that grievance mechanisms must serve as both remedial tools and sources of insight for supervisory authorities. In addition, there were arguments for a context-based approach to grievance mechanisms, particularly in regions with complex social and political dynamics. Effective due diligence must reflect local realities rather than applying a one-size-fits-all solution. There was strong consensus that poorly designed grievance mechanisms could not only fail to deliver justice but actively harm rights holders.

## Supervisory Authorities: Enforcement with Independence

A critical discussion centered on supervisory authorities tasked with enforcing due diligence obligations. In this context two cases were discussed where there are already operational due diligence laws, akin to the CSDDD. Germany's BAFA (Federal Office for Economic Affairs and Export Control) was cited as one example. With around 90 dedicated staff and a dialogue-based enforcement strategy, BAFA focuses on education and behavioral change before considering sanctions in the forms of fines. In Norway, the Consumer Authority is responsible for supervising the Norwegian Transparency Act. Its role includes monitoring compliance, issuing guidance, and potentially imposing enforcement measures. In the Netherlands, the Authority for Consumers and Markets (ACM) will be responsible for monitoring compliance with the CSDDD. In contrast, France's reliance on judicial enforcement, coupled with the absence of a centralized authority, was flagged as suffering from some weaknesses including overburdening civil society actors and being procedural without clear outcomes.

Participants emphasized several criteria for effective supervisory bodies: independence from political influence, adequate resourcing, multi-sectoral expertise, and a balanced approach that combines guidance with the capacity for enforcement. The importance of independence is also mentioned in the CSDDD, but it remains unclear how independence should precisely be interpreted.

## Policy Challenges and Political Realities

The final part of Panel II addressed the broader policy challenges faced by member states. Concerns were shared about a lack of political will, and the inherent tension between bureaucratic simplification and new regulatory obligations. The uncertainty created by the Omnibus package, especially around enforcement timelines and penalties, is further discouraging investment in due diligence processes.

There was agreement on the need to move beyond legal transposition to practical implementation, where companies, supervisory bodies, and stakeholders collaborate effectively. Key elements include improved information-sharing, digital innovation in reporting, strengthened auditing processes, effective grievance mechanisms and ensuring that the implementation remains applicable to the entire value-chain (not only 1-tier suppliers) and context-specific.

## Conclusion and Takeaways

The workshop concluded with a synthesis of emerging best practices and ongoing obstacles:

1. Omnibus process is creating uncertainties and stalls the transposition process.
2. The responsibility for the transposition process is split across ministries (most commonly labor, economy, justice).
3. Due diligence requirements must be anchored in established international standards such as the UN Guiding Principles and the OECD Guidelines, promoting a preventive, proactive, and practical approach.
4. It is essential to ensure that legal frameworks on HREDD are grounded in a risk-based approach.
5. Meaningful stakeholder engagement must be ensured throughout the entire due diligence process.
6. Ensuring access to remedy is an essential part of the corporate responsibility to respect human rights.
7. Reporting and grievance mechanisms are central tools for accountability.
8. Supervisory authorities must be independent, well-resourced, and experienced.
9. Policymakers face the challenge of balancing compliance, learning, and enforcement.
10. No single blueprint fits all—context and flexibility are important/essential.
11. Political momentum has waned, though the urgency of the underlying issues remains.
12. Stakeholder engagement is a long-term investment that must be grounded in trust and, at times, healthy conflict.



## Policy Recommendations

1. **Establish Clear, Independent, and Well-Resourced Supervisory Authorities.** Member States should designate or establish independent supervisory authorities. These authorities must be independent and adequately resourced with sector-specific expertise and enforcement capacity.
2. **Prioritize the Preventive, Proactive, and Practical Core of Due Diligence based on international standards.** Transposition should reinforce the core principles of due diligence as laid out in international standards such as the UNGPs and the OECD Guidelines: prevention, proactivity, and practicality, encouraging companies to assess, prioritize, and address the most severe human rights and environmental risks.
3. **Ensure a Risk Based Approach to HREDD.** Legal frameworks on HREDD should be grounded in a risk-based approach, requiring companies to identify, prioritize, and address first the most severe risks to people and the environment.
4. **Require meaningful stakeholder engagement at all stages of the due diligence process.** Legal frameworks must ensure that companies conduct meaningful stakeholder engagement, ensuring the active participation of affected stakeholders and rightsholders from risk identification through to monitoring and remediation.
5. **Ensure that victims have access to effective remedy in case of harm.**
6. **Provide Unified and Detailed EU-Level Guidance.** The European Commission, in collaboration with international bodies (e.g. OECD, UN), should publish binding interpretative guidance on key definitions and expectations (e.g. “adverse impact,” “abuse,” “value chain”, translation of core concepts). A guide published by the Danish Institute for Human Rights on the Transposition of the Corporate Sustainability Due Diligence Directive highlights the importance of clarifying and aligning core concepts in the CSDDD with international standards like the UN Guiding Principles and OECD Guidelines, Fragmentation risks diverging national laws and legal uncertainty for companies.
7. **Establish Grievance Mechanisms based on a set of clear design principles.** Require that companies establish or participate in grievance mechanisms that adhere to minimum effectiveness standards (e.g. accessibility, transparency, independence, remediation focus). As highlighted by several experts in the workshop, grievance mechanisms can drive systemic change and improve outcomes for rights holders—but only when designed and implemented properly. Poor mechanisms not only fail to deliver justice but can harm complainants.
8. **Recognize the Role of Detailed Reporting as a Lever for Accountability.** Mandate clear, structured, and detailed public reporting on due diligence activities, grievance outcomes, and risk prioritization processes, and ensure supervisory authorities use this data proactively. Reporting requirements might be insufficient and inconsistent. Structured disclosure enables stakeholder monitoring, enhances transparency, and strengthens enforcement.



9. **Ensure Multi-Stakeholder Dialogue and Involvement.** Embed stakeholder engagement obligations within national transposition laws, ensuring all relevant stakeholders are included in implementation and monitoring processes.
10. **Invest in Capacity Building and Accompanying Measures.** Allocate targeted funding to train public officials, support SMEs, and strengthen local civil society organizations in both Europe and supplier countries. Lack of resources is a recurring obstacle. Without investment in skills and institutional support, implementation will remain patchy and ineffective, particularly for smaller actors and high-risk sectors.
11. **Build and Strengthen Political Will and Public Awareness.** Launch campaigns targeting policymakers and the broader public to reframe sustainability and due diligence as critical, urgent, and economically strategic issues. Participants noted declining political interest despite continued relevance of the issues. Public and political buy-in are essential for sustained legislative momentum.
12. **Phase-In Implementation and Balance Effectiveness for Rightsholders and Learning for Business.** Allow for phased implementation while prioritizing high-risk sectors and regions. Provide transitional support and flexibility for SMEs without diluting core obligations. A rigid, all-at-once approach risks failure. Strategic phasing allows adaptation, learning, and refinement—especially for smaller companies and complex supply chains. In other words, there is a need to balance effectiveness for rightsholders and implementability for business. This requires respect for joint journeys and a dialogue-based form of enforcement and good guidance on prioritization.

## Useful Resources

The Danish Institute for Human Rights published a guide which offers practical advice on how National Human Rights Institutions (NHRIs) and other stakeholders can engage with policymakers during the legal transposition of the CSDDD: [Transposition of the Corporate Sustainability Due Diligence Directive: A Practical Guide for National Human Rights Institutions](#).

## Authors:

**Claire Bright** is Associate Professor in Private Law as well as the Founding Director of the NOVA Centre on Business, Human Rights and the Environment at NOVA School of Law in Lisbon.

**Jasmine Elliott** is a Research Fellow in Business and Human Rights at BIICL. Her current research relates to assessing the impact of and company response to mandatory human rights due diligence laws, and she provides training on business and human rights.

**Sofia Gonzalez De Aguinaga** is a Research Leader in Business, ESG and Modern Slavery at BIICL. She is based at the Bingham Centre for the Rule of Law where she coordinates the Bingham Centre's Business Network and acts as a project partner for the Modern Slavery and Human Rights Policy and Evidence Centre (PEC) to produce research on modern slavery in business supply chains.

**Huib Huyse** heads the research group on Sustainable Development at HIVA-KU Leuven. His research focuses on decent work and human rights in global value chains in Africa, Asia and Latin-America, and has received funding from, amongst others, the Belgian and Flemish government, ILO, trade unions, NGOs, and VLIR-UOS. He holds a research chair on decent work and the SDGs since 2018 and teaches a specialised MA course on labour governance in global value chains at KU Leuven since 2021.

**Axel Marx** is Deputy Director Leuven Centre for Global Governance Studies (KU Leuven). His academic publications (300+) have appeared in several leading international journals and edited volumes. His research interests include voluntary sustainability standards and EU trade and sustainability policy. He is currently also the co-chair of the Academic Advisory Council of the United Nations Forum on Sustainability Standards.

**Kari Otteburn** is a postdoctoral researcher at the Leuven Centre for Global Governance Studies and lecturer at the political science faculty at KU Leuven. Her research focuses on business and human rights, corporate accountability, and global sustainability governance, with a focus on regulatory initiatives to address trade, investment, and corporate impacts on human rights and the environment. She currently teaches the MA course Global Environmental Politics.

**Irene Pietropaoli** is a Senior Research Fellow in Business and Human Rights at BIICL and the Director of the Human Rights Due Diligence Forum. She leads research and training programmes on corporate human rights and environmental due diligence and other business and human rights topics. Irene also leads BIICL's work on AI governance and its links with human rights.