To: The European Commission

Stockholm, July 22, 2026

Re: Open public consultation on the corporate sustainability due diligence directive guidelines

The Confederation of Swedish Enterprise (Sw. Svenskt Näringsliv) welcomes the opportunity to provide comments to the European Commission's open consultation on the Corporate Sustainability Due Diligence Directive (the "CSDDD" or the "Directive") Guidelines.

The Confederation of Swedish Enterprise has 60,000 member companies organized in 49 business and/or employer associations. In addition to our responses to the consultation questionnaire, we would like to offer the following overarching observations and recommendations.

1. Introduction

The CSDDD guidelines represent an important opportunity for the European Commission to support effective and practical implementation of the CSDDD across the EU. Well-designed guidance can contribute both to improved sustainability outcomes and to a predictable and proportionate legal framework, contributing to a competitive European business environment. The guidelines should be developed in the spirit of the broader EU competitiveness agenda and the Omnibus I simplification initiative. They should contribute to a practical interpretation of the Directive that delivers meaningful results while avoiding unnecessary administrative burdens for companies and their business partners, including SMEs. The guidelines should avoid focusing on process formalism and documentation. Companies should be encouraged to adopt measures that are likely to prevent and mitigate adverse impacts in practice, rather than primarily being assessed based on compliance, documentation, procedural steps or administrative formalities.

We also encourage the Commission to conduct a consultation on the draft guidelines prior to their final adoption. To be effective and workable, the guidelines should be informed by practical experience from companies that will be responsible for implementation of the framework in practice and other stakeholders.

In particular, the guidelines should:

- remain clearly non-binding
- be aligned with existing well-established international due diligence standards
- support a risk-based and proportionate approach encouraging prioritization of efforts

- focus on effectiveness rather than procedural formality
- ensure consistency with other EU regulatory frameworks
- provide practical support, tools and guidance
- promote harmonized implementation and supervision across Member States
- help companies navigate legal conflicts, geopolitical challenges and limitations on access to information

The above is further elaborated in the following.

1. The non-binding nature of the guidelines

It is essential that the guidelines remain clearly non-binding and that they are designed to support companies in their compliance efforts rather than creating new expectations, obligations or administrative burdens. The guidelines should not expand the obligations established by the Directive. Companies should be able to understand and comply with the legal framework without having to analyze an expanding body of additional materials to identify their obligations.

Similarly, examples and good practices included in the guidelines must be presented as illustrative examples only, designed to support companies. They must not evolve into or be interpreted as *de facto* standards or requirements that extend the obligations under the Directive, or against which companies are assessed by supervisors, courts or stakeholders. The guidelines should strengthen legal certainty and predictability, not create additional layers of compliance expectations.

2. Effective due diligence requires a risk-based and proportionate approach encouraging prioritization

The guidelines should be firmly anchored in well-established internationally recognized due diligence frameworks, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Directive is built on a risk-based approach, in line with these international frameworks. Consequently, the guidelines should align with existing well-established international due diligence frameworks, clearly recognizing that companies should retain a genuine and workable ability to prioritize their efforts based on the severity and likelihood of identified risks and adverse impacts. The guidelines should clearly manifest that due diligence is an obligation of means (not results). Due diligence is not a process capable of generating complete certainty regarding all risks throughout a company's chain of activities. Companies will often have to make decisions based on incomplete information and under conditions of uncertainty. The guidelines should explicitly recognize this reality and confirm that companies are expected to take reasonable and proportionate measures based on the information available at a given point in time. This is key to secure a workable framework that will have the sought positive effects, while securing that companies can have a strategic perspective to due diligence, not letting the details blur strategic decision-making and relevant prioritization.

The guidelines should also clarify that appropriate measures will necessarily vary between sectors, business models, geographies and from case to case. The guidelines should encourage flexibility to allow companies to take measures that are deemed likely to produce real improvement in practice. It is important to encourage a practical and workable approach while avoiding expectations that generate costs without corresponding benefits, or that risk diverting attention from measures that are likely to be more effective. As an example, effective due diligence often depends on supplier engagement, dialogue, training, capacity building, operational cooperation and continuous improvement. While contractual clauses may in some situations constitute an appropriate tool, they should not be presented as a preferred or primary due diligence measure. On the other hand, overreliance on contractual mechanisms risks creating a compliance-focused “tick the box” approach centered on administratively heavy documentation and legal negotiations, without corresponding meaningful sustainability risk reduction or improvement.

The assessments to be made under the CSDDD are difficult, e.g. to weigh different human rights areas and impact assessments against each other. Therefore, the guidelines should leave enough flexibility for companies to make informed decisions.

3. Consistency with other legal due diligence requirements

The European Commission has an important role to ensure coherence between the CSDDD, the guidelines and other applicable EU due diligence requirements, avoiding contradictions and duplications. This will be important to reduce costs and burdens, improve efficiency and enable companies to focus resources on the right measures.

The guidelines should help companies navigate overlaps and interactions between the CSDDD and other legal frameworks, including for example sustainability reporting requirements, sector specific or thematic due diligence obligations, including the new guidelines for due diligence in relation to the Forced Labor Regulation. Where companies have already collected relevant information or conducted assessments under other legislation, the guidelines should encourage the possibility to rely on such work, to avoid duplication of efforts. Parallel or double sanctioning under different regimes must be avoided.

The guidelines should clarify that adverse impacts identified or prioritized under the CSDDD are not automatically material for the purposes of CSRD reporting. These are distinct frameworks with different thresholds, and due diligence scoping should not inadvertently expand reporting obligations. Similarly, the interaction between the CSRD value chain cap and CSDDD information requests should be clarified not making it unnecessarily difficult for business to conduct due diligence and sustainability reporting.

4. Simplicity, accessibility and practical support

The guidelines should be practical, accessible and user-friendly. Companies should not be expected to familiarize themselves with every detail of the extensive body of material that is now emerging, in addition to the Directive and the amending directive together with their recitals, international conventions, voluntary OECD and UN frameworks, national transposition and interpretations, and any future national practice or guidance.

The European Commission should therefore develop the non-binding guidelines in a format that is easily accessible and searchable, complemented as appropriate with FAQs, examples, templates, practical tools and regular updates, as relevant. The guidelines should be easy to follow and read and understand (also for SMEs and non-legal staff) and be designed in a way that makes it easy to update them over time. The Commission should consider web-based formats, checklists, FAQs etc., all in the interest of user-friendliness and supporting companies. The format must be dynamic and flexible as the material is likely to evolve over time, e.g., with sector specifics.

The Commission should also consider establishing a centralized web-based source of reliable aggregated information and risk-related resources, including relevant areas such as for example (i) country and sector risks and indicators, (ii) governance indicators, (iii) public risk assessments, and (iv) aggregated sustainability data. Access to reliable public information can significantly improve efficiency and reduce burdens, specifically for smaller companies. It can also reduce duplicated and fragmented information requests, and support more consistent risk assessments and scoping across value chains. As the possibility for companies to ask for information in their supply chains has been reduced, and information access can be limited due to geopolitical, competition law and other reasons, such tools are likely to be even more valuable for companies. Any tools or methodologies developed or facilitated by the Commission must be designed as practical support, remain voluntary and must not create additional burden or expectations. The availability of such resources should not in itself expand the scope of what companies are expected to consult.

Further, industry and multi-stakeholder initiatives, platforms and other forms of collective action should be expressly recognized by the Commission as effective and proportionate due diligence measures, e.g. for information and data sharing, supplier engagement, training and capacity building and pooling resources. Such initiatives often provide more efficient and impactful ways of identifying, preventing and mitigating adverse impacts than isolated company-level efforts. While encouraging industry and multi-stakeholder initiatives, the Commission should confirm flexibility for companies in how they engage.

When developing the guidelines, the European Commission should recognize the significant practical implementation burden and costs for companies and business partners related to the CSDDD requirements, including training, governance workstreams, audits, supplier engagement, and information requests.

5. Harmonized transposition and application

For the CSDDD to provide a level playing field within the EU, it is key that the Commission actively support Member States in a uniform and harmonized transposition of the Directive, avoiding gold-plating and acknowledging the importance of minimizing the administrative burdens of businesses. The guidelines can play a role in this ambition, together with questions and answers, transposition guidance, and exchanges of best practices. The European Commission can also contribute to securing uniform application and interpretation of the rules as well as consistency in supervisory practices. This will be key to reducing administrative burdens and preserving the competitiveness of European businesses.

6. Addressing geopolitical challenges and conflicting legal requirements

Companies increasingly operate in environments characterized by geopolitical tensions, legal uncertainty and conflicting regulatory requirements. Access to relevant information and the ability to conduct due diligence may be restricted by data protection rules, competition laws, trade secret laws, sanctions, competitiveness considerations, limitations under the CSDDD, as well as restrictions emerging from geopolitical tensions. In some jurisdictions, information is not available, or access impossible, and due diligence measures could expose companies, subsidiaries, associated companies, business partners and individuals to material legal risk. The guidelines should explicitly recognize these barriers and challenges and clarify that compliance must be assessed considering what is proportional and reasonably possible under the applicable circumstances.

Companies need guidance on how to handle these complex situations. They cannot be expected to expose themselves, associated companies, subsidiaries, business partners and their individual company representatives and employees to legal, regulatory or personal risks. The guidelines should therefore provide practical guidance on how companies can assess and document reasonable efforts in situations where access to information is restricted or where legal conflicts arise. In such circumstances, reasonable and proportionate efforts should be considered sufficient.

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To summarize, the Confederation of Swedish Enterprise encourages the European Commission to develop non-binding guidelines that are practical, proportionate and business-friendly, while remaining fully aligned with the objectives of the Directive. The guidelines should support effective due diligence in practice, avoid creating new obligations, facilitate harmonized implementation across the Union and recognize the operational realities and legal constraints faced by companies. Disproportionate information-gathering requirements and administration, risk diverting resources from higher-risk areas, which would be contrary to the purpose of the rules. A clear focus on risk-based prioritization, proportionality, competitiveness and operational realities will be essential to ensure that the CSDDD contributes to both sustainable outcomes and to a stronger and more competitive Europe.

Please do not hesitate to contact us with any questions. We remain at your disposal.

Yours sincerely,

THE CONFEDERATION OF SWEDISH ENTERPRISE
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