

Comply with the Corporate Sustainability Due Diligence Directive (CSDDDD) with Cradle to Cradle Certified®

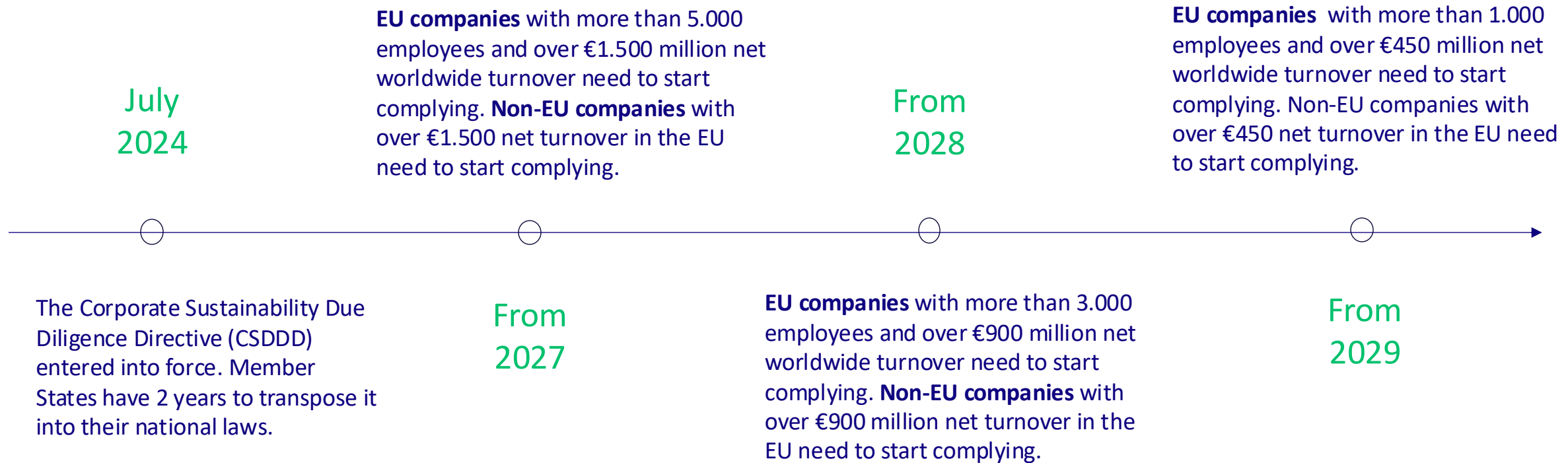
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The Corporate Sustainability Due Diligence Directive (CSDDD)

- The CSDDD introduces a **harmonised framework for companies operating in the European Union to carry out due diligence** in relation to their own operations, and the operations of their subsidiaries, and their direct and indirect business partners in the value chain.
- These rules will ensure that companies in scope **identify and address adverse human rights and environmental impacts** of their actions in the chain of activities.
- The CSDDD also enables companies to use **independent third-party verification** in their chain of activities to support the implementation of due diligence obligations.



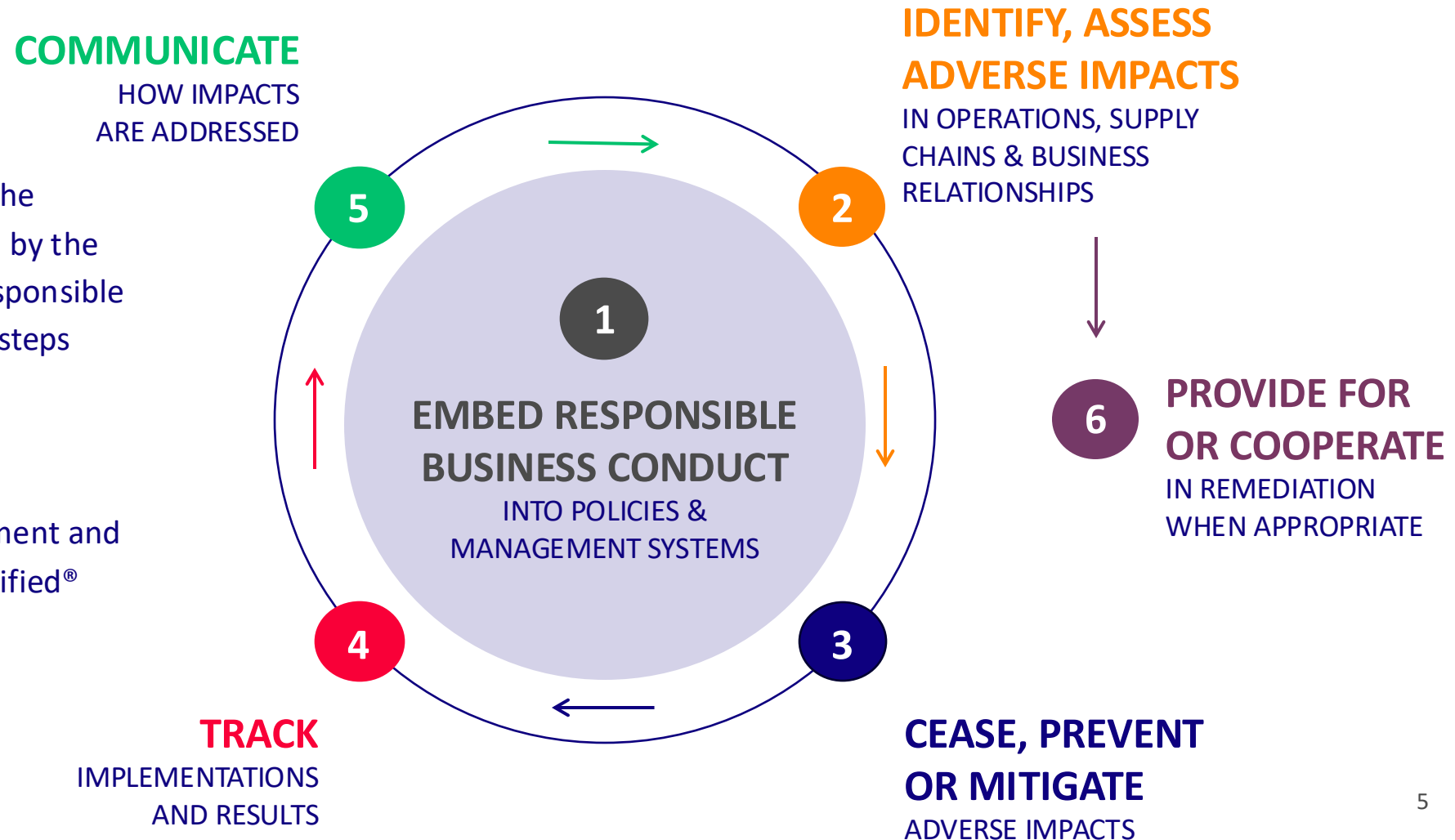
The scope & timeline



This document explains in detail how C2C Certified® can act as a supportive tool to meet most of the due diligence principles set out in the CSDD and the Forced Labour Regulation.

General remarks

- The due diligence process set out in the Directive covers **the six steps** defined by the OECD Due Diligence Guidance for Responsible Business Conduct, which include the steps shown in the visual on the right.
- The Environmental Policy & Management and Social Fairness categories of C2C Certified® **follow the same structure.**



Overall alignment



There is a strong alignment with CSDDD, especially in the **Social Fairness and Environmental Policy & Management** categories. Other categories like 'Material Health,' 'Product Circularity,' and 'Water & Soil Stewardship' fall outside the Directive's scope.



The exception is 'Clean Air & Climate Protection,' which addresses GHG emissions and **partly aligns** with the Directive's requirement for **a climate change mitigation transition plan**. This plan must ensure the company's business model and strategy are sustainable and compatible with the Paris Agreement, including, time-bound targets related to climate change and, where appropriate, absolute emission reduction targets for scope 1, 2, and 3 emissions.

C2C Certified® as a progressive tool

More specific

In many aspects, **C2C Certified®** goes beyond the requirements of the CSDDD by providing specific details in risk assessment, environmental and human rights policy, and performance measurement.

Proactive approach

C2C Certified® takes a **more proactive approach** in addressing the environmental and human rights issues compared with the Directive, which only sets baseline requirements for the companies to address the potential and actual impacts in their supply chain. The C2C Certified® standard **looks for opportunities for improvement and ways to create social value**, e.g., positive impact project; or section on collaborating to develop and scale solutions to an intractable social issue.

Progressive requirements

Several indicators in the environmental and human rights management systems sections entail **progressive requirements** that are omitted in the Directive.

The ‘Demonstrating Commitment’ section elevates the environmental and human rights issues to the C-level executive and/or Board of Directors. This was a suggestion the EU Commission included in the first draft of the Due Diligence Directive. However, this part was removed in the negotiation process.

Main divergences

Product-focused certification

While C2C Certified® is a product-focused certification, **corporate due diligence requirements are clearly embedded in the standard** (in a more product-focused manner). Some indicators mainly found at Bronze level in the Environmental Policy section and Social Fairness category focus on final manufacturing facilities or tier 1 suppliers. The Directive's expectations include company's operations, its suppliers, and business partners throughout the **chain of activities**. These activities cover upstream production, including design, extraction, sourcing, manufacturing, transport, storage, and supply of materials and products, and downstream activities related to distribution, transport, and storage.

2 distinct categories

The due diligence within the CSDDD covers both human rights and environmental risks and adverse impacts. The C2C Certified® standard has **two distinct categories** addressing both environmental and human rights aspects.

Detailed comparison of C2C Certified® with the 6 Due Diligence steps

- In the tables below, the left-hand column refers to the due diligence step, while the right-hand column explains what C2C Certified® requires and its overall alignment with additional notes.

Due diligence process	C2C Certified®
1. Integrating due diligence into policies and risk management systems	C2C Certified® assesses whether the applicant companies implement environmental policies and commit to human rights through company policy. The human rights policy as assessed in the Standard is similar to the due diligence policy addressed in the Directive. Thus, there is a general alignment with the principles of the Directive to have in place a due diligence policy that ensures risk-based due diligence. The policy must establish expectations for the applicant company, the supply chain, communities, potentially affected groups and other relevant stakeholders. This aligns and goes beyond the legal requirements. Additional Notes: • C2C Certified® requirements are more explicit on the elements that must be included in the human rights policy, e.g., eliminating discrimination. The CSDDD is general on this aspect and only mentions that the due diligence policy should have a code of conduct followed not only by the companies’ subsidiaries but also by its direct and indirect partners and that the policy must include the measures taken to verify compliance with the code of conduct and to extend its application to business partners. While the Directive is not as specific in listing the elements of the due diligence policy as is done in the C2C Certified® standard - these elements will most likely be covered by the Directive as they stem from various ILO Conventions and other human rights treaties which are listed in the Directive’s Annex Part 1. • The C2C Certified® standard monitors and verifies performance against human rights policy with specific, detailed measures. This goes further than the Directive that provides a general outlook on addressing performance issues. • The strategies for implementing environmental policy in the category “General requirements” and for implementing social fairness in the category “Social Fairness” go further than the directive's requirements. The Directive only requires including a description in the due diligence policy of the processes put in place to implement due diligence.

Alignment with the due diligence process

Due diligence process	C2C Certified®
1. Integrating due diligence into policies and risk management systems	C2C Certified® assesses whether the applicant companies implement environmental policies and commit to human rights through company policy. The human rights policy as assessed in the Standard is similar to the due diligence policy addressed in the Directive. Thus, there is a general alignment with the principles of the Directive to have in place a due diligence policy that ensures risk-based due diligence. The policy must establish expectations for the applicant company, the supply chain, communities, potentially affected groups and other relevant stakeholders. This aligns and goes beyond the legal requirements. Additional Notes: • C2C Certified® requirements are more explicit on the elements that must be included in the human rights policy, e.g., eliminating discrimination. The CSDDD is general on this aspect and only mentions that the due diligence policy should have a code of conduct followed not only by the companies’ subsidiaries but also by its direct and indirect partners and that the policy must include the measures taken to verify compliance with the code of conduct and to extend its application to business partners. While the Directive is not as specific in listing the elements of the due diligence policy as is done in the C2C Certified® standard - these elements will most likely be covered by the Directive as they stem from various ILO Conventions and other human rights treaties which are listed in the Directive’s Annex Part 1. • The C2C Certified® standard monitors and verifies performance against human rights policy with specific, detailed measures. This goes further than the Directive that provides a general outlook on addressing performance issues. • The strategies for implementing environmental policy in the category “General requirements” and for implementing social fairness in the category “Social Fairness” go further than the directive's requirements. The Directive only requires including a description in the due diligence policy of the processes put in place to implement due diligence.

Alignment with the due diligence process

Due diligence process	C2C Certified®
2. Identifying and assessing adverse human rights and environmental impacts	C2C Certified® requires to assess environmental and human rights risks and identify opportunities for improvement for the applicant company. This is aligned with the Directive which requires the identification of adverse environmental and human rights impacts based on risk factors. Additional Notes: • In C2C Certified® the risk and opportunity assessment must include a company-level risk assessment to identify likely environmental and human rights risks associated with the applicant company’s own operations, its final manufacturing facilities, the product’s supply chain, product use, product cycling and end of use, relevant communities, potentially affected groups and other relevant stakeholders. For human right risks, a tier 1 supplier risk assessment based on knowledge of supplier industry/sector and locations to identify high-risk supplier facilities is also required at the Bronze level. Under the Directive, companies must identify impacts arising from their own operations or those of their subsidiaries and, where related to their chains of activities, those of their business partners. Thus, this part of due diligence process in the Directive is aligned with C2C Certified®. • At the same time, C2C Certified® does not only focus on the risks but also looks for opportunities for improvement associated with the products' components and raw materials. This is a more proactive approach than the Due Diligence Directive’s which is setting the baseline requirements for due diligence. Some of C2C Certified® indicators listed in the category of ‘Social Fairness’ sub-category “Assessing Risks and Opportunities” go further than the expectations of the Directive.

Alignment with the due diligence process

Due diligence process	C2C Certified®
3. Preventing, ceasing or minimising actual and potential adverse human rights and environmental impacts	C2C Certified® assesses whether the applicant company and final manufacturing stage facilities, measure performance against the environmental and human rights policies and confirm the completion of corrective actions associated with issues of high concern. This is in line with the principles of due diligence process of ceasing, minimising or bringing to an end the adverse impacts. <i>Additional Notes:</i> • The corrective and preventive action plan in the CSDDD is adapted to companies' operations and chain of activities and C2C Certified® requires procedures for the prompt implementation of corrective and preventive actions for the company's own operations at Silver and the product's supply chain at Gold. • The Directive requires to prevent, or where prevention is not possible, adequately mitigate potential adverse impacts. For example, the Directive suggests that among the appropriate measures, the prevention action plan with reasonable and clearly defined timelines for the implementation of appropriate measures and qualitative and quantitative indicators for measuring improvement should be implemented where potential adverse impacts have been identified. If necessary, the companies are also required to seek contractual assurances from their direct business partner to ensure compliance with the prevention plan. C2C Certified® also looks at identifying not only existing but also potential risks and performance is monitored and verified (corrective actions taken when poor performance is identified). In addition, as part of prevention, C2C Certified® seeks to reduce other potential adverse impacts (water use and quality, air pollution, sourcing of materials etc.)

Alignment with the due diligence process

Due diligence process	C2C Certified®
4. Monitoring and assessing the effectiveness of measures	C2C Certified® requires measuring performance against human rights policy, whereas data must be collected and analysed to measure progress toward achieving environmental and human rights targets and objectives. This reflects the monitoring process of due diligence, whereby companies must monitor the effectiveness of the identification, prevention, mitigation, bringing to an end, and minimisation of adverse impacts. The Directive requires that such assessments are based on qualitative and quantitative indicators. C2C Certified® provides such qualitative and quantitative information that can be used to meet these requirements.
5. Communicating	The Directive requires to report on the matters of due diligence by publishing on the company’s website an annual statement. While the content of such reporting is still not fully defined, by 2027 the EU Commission will publish delegated acts explaining the content of reporting for companies, specifying, in particular, sufficiently detailed information on the description of due diligence, potential and actual identified adverse impacts and appropriate measures taken with respect to those impacts. C2C Certified® aligns with the communication step. In the “Transparency and Stakeholder Engagement” sections (in both the Environmental Policy section and in the Social Fairness category), C2C Certified® addresses the criteria on information that must be publicly available when it comes to environmental and human rights risks. This, among others, includes a description of adverse impacts and how they are addressed. CSDDD exempts companies already subject to CSRD reporting obligations from publishing a (separate) report on their compliance with CSDDD and C2C Certified® information can also be used as a supportive tool for disclosing ESG practices under the CSRD.

Alignment with the due diligence process

Due diligence process	C2C Certified®
6. Providing remediation	The Directive requires to provide remediation where a company has caused or jointly caused an actual adverse impact. C2C Certified® covers obtaining redress for negative human rights impacts, which is aligned with the remediation principle of the Directive. <i>Additional Note:</i> • C2C Certified® requires ensuring that a grievance mechanism is available that permits employees and other stakeholders to obtain redress for negative environmental and human rights impacts. This is aligned with the Directive which also requires to have grievance mechanism in place. • The remediation itself requires a larger effort to bring the affected person or persons, communities, or environment to a situation equivalent or as close as possible to the situation they would be in had the actual adverse impact not occurred. C2C Certified® standard defines remedial activities in the management systems section, to describe any activity underway to address root causes from issues identified during the management review. While remediation is not required for the first round of certification, progress towards remediation is required and management system review must be conducted far enough in advance of recertification for remedial activities (if needed) to be initiated.

Detailed comparison of C2C Certified® with CSDDD requirements

- In the tables below, the left-hand column summarizes the C2C Certified® requirements, while the right-hand column explains what is required under the CSDDD to implement.

C2C Certified requirements ENVIRONMENTAL POLICY & MANAGEMENT	CSDDD
3.1 Certification Compliance Assurance Bronze - A documented certification compliance assurance system is in place.	Not applicable.
3.2.1 Environmental Policy Bronze - Commit to protecting the environment through company policy.	This requirement is aligned with CSDDD which requires to integrate due diligence into company's policies. Here C2C Certified® addresses the environment as a separate topic, whereas due diligence policy addresses human rights and environment in one requirement.
3.2.2 Assessing Environmental Risks and Opportunities Bronze - Identify environmental risks and opportunities for the applicant company, including all final manufacturing stage facilities and for the certified product.	This is aligned with the principles of CSDDD which require to conduct risk-based environmental and human right due diligence. Companies must integrate due diligence into all risk management systems. The Directive also requires to assess adverse impacts taking into account risk factors. While identifying the adverse impacts, companies need to look into the upstream supply chain and parts of the downstream supply chain (including the distribution, transport and storage of a product). This extends beyond the final manufacturing stage facilities.
3.2.3 Monitor & Verify Performance Silver - Request data measuring performance against the environmental policy from tier 1 suppliers associated with high-risk issues as identified per the risk assessment. At recertification , demonstrate continued efforts to obtain performance data and evidence of tracking corrective actions that may be necessary at tier 1 supplier locations.	This is directionally aligned with the Directive which requires to prevent and/ or bring the identified adverse impact to an end. In doing so, companies are required to implement a prevention or a corrective action plan with qualitative and quantitative indicators for measuring improvement. This is aligned with the CSDDD which requires that a company implements its corrective action plan throughout the supply chain. Similarly, the corrective action plan must include reasonable and clearly defined timelines for the implementation of appropriate measures. Also aligned with the CSDDD whereby companies must suspend or terminate business relationship in cases of non-compliance. However, this should be done as a last resort and only in cases, where the suspension/ termination will not create more damage than the adverse impacts themselves.

C2C Certified requirements ENVIRONMENTAL POLICY & MANAGEMENT	CSDDD
3.1 Certification Compliance Assurance Bronze - A documented certification compliance assurance system is in place.	Not applicable.
3.2.1 Environmental Policy Bronze - Commit to protecting the environment through company policy.	This requirement is aligned with CSDDD which requires to integrate due diligence into company's policies. Here C2C Certified® addresses the environment as a separate topic, whereas due diligence policy addresses human rights and environment in one requirement.
3.2.2 Assessing Environmental Risks and Opportunities Bronze - Identify environmental risks and opportunities for the applicant company, including all final manufacturing stage facilities and for the certified product.	This is aligned with the principles of CSDDD which require to conduct risk-based environmental and human right due diligence. Companies must integrate due diligence into all risk management systems. The Directive also requires to assess adverse impacts taking into account risk factors. While identifying the adverse impacts, companies need to look into the upstream supply chain and parts of the downstream supply chain (including the distribution, transport and storage of a product). This extends beyond the final manufacturing stage facilities.
3.2.3 Monitor & Verify Performance Silver - Request data measuring performance against the environmental policy from tier 1 suppliers associated with high-risk issues as identified per the risk assessment.	This is directionally aligned with the Directive which requires to prevent and/ or bring the identified adverse impact to an end. In doing so, companies are required to implement a prevention or a corrective action plan with qualitative and quantitative indicators for measuring improvement.
At recertification , demonstrate continued efforts to obtain performance data and evidence of tracking corrective actions that may be necessary at tier 1 supplier locations.	This is aligned with the CSDDD which requires that a company implements its corrective action plan throughout the supply chain. Similarly, the corrective action plan must include reasonable and clearly defined timelines for the implementation of appropriate measures.

C2C Certified requirements ENVIRONMENTAL POLICY & MANAGEMENT	CSDDD
3.2.4 Strategy for Environmental Policy Implementation Bronze - Develop a strategy for implementing the environmental policy and report on implementation progress at each recertification.	This is directionally aligned with the CSDDD which requires that the due diligence policy has a description of a process to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to business partners. However, there is no explicit requirement to have an implementation strategy. Thus, C2C Certified® further than the legal requirement of the Directive. The element of prioritisation is not mentioned within policy section in the CS3D, but this is aligned with the overall intention of the CS3D that the identified adverse impacts need to be prioritised based on the severity and likelihood. The CS3D does not explicitly mention to include specific time-bound performance and impact objectives to guide decision making. It also does not define the scope of implementation or to define the company’s human, technical and material resource allocation for implementation. The C2C certified goes beyond the legal requirements of the Directive.
For recertification, environmental performance data must be collected and analyzed to measure progress toward achieving environmental targets and objectives, and areas for improvement must be identified. For any identified areas of poor performance, methods of improving outcomes must also be identified and evaluated and the strategy refined accordingly.	This is aligned with the principles of the Directive whereby companies must monitor the effectiveness of the measures taken to address the adverse impacts. The adverse impacts include both environmental and human rights impacts.

C2C Certified requirements
ENVIRONMENTAL POLICY & MANAGEMENT

CSDDD

3.2.5 Demonstrating Commitment

Bronze - Demonstrate commitment and support for establishing and maintaining a culture whereby employees and business partners are able to achieve high levels of environmental performance.

C2C Certified® goes beyond the expectations of the Directive.

The CSDDD requires to publicly communicate on due diligence in a form of an annual statement. The Commission is obliged to create delegated acts explaining the contents of reporting for companies, specifying, in particular, sufficiently detailed information on the description of due diligence, potential and actual adverse impacts identified and appropriate measures taken with respect to those impacts.

3.2.6 Environmental Management Systems

Silver - For the applicant company and for all final manufacturing stage facilities, implement management system(s) that support achievement of the environmental policy commitments within company and facility operations.

This is aligned directionally with the Directive whereby due diligence needs to be integrated into company's policies and risk management systems. The Directive does not explicitly mandate to have a management system in place to support the environmental policy.

Gold - Implement a responsible sourcing management system that supports achievement of the environmental policy commitments within the product's supply chain.

C2C Certified® goes beyond the expectations of the Directive.

The CSDDD does not explicitly mention the different elements that C2C Certified® requires from the responsible sourcing management system in place (e.g. designate staff with responsible sourcing responsibilities, procedures in place to communicate to suppliers the environmental policy etc.). However, this may be addressed in the Guidance on due diligence that the EU Commission will publish in 2027.

For **recertification** at the Silver or Gold level, the policy, procedures, practices and/or programs must be reviewed to identify deficiencies and implement changes (if needed) that will lead to improved performance. Remedial activities (if needed) must be underway and seek to identify and address root causes.

C2C Certified® goes beyond the expectations of the Directive.

C2C Certified requirements ENVIRONMENTAL POLICY & MANAGEMENT	CSDDD
3.2.7 Grievance Mechanisms Silver - Provide a grievance mechanism that permits stakeholders to obtain redress for negative environmental impacts. For any contract final manufacturing stage facilities, request that a grievance mechanism be made available.	This is aligned with the principles of the Directive. The CSDDD obliges companies to have a complaints procedure for 3rd parties who have legitimate concerns regarding actual or potential adverse impacts with respect to the company's operations or operations of its subsidiaries and business partners. Also, the Directive requires a company to provide remediation for the adverse impact it caused. The remediation within the meaning of the Directive requires a restitution of the affected person or persons, communities or environment to a situation equivalent or as close as possible to the situation they would be in had the actual adverse impact not occurred, including financial or non-financial compensation provided by the company to a person or persons affected by the actual adverse impact. Remediation applies not only to negative impacts on the environment, but also to negative impacts on human rights (covered by the Social Fairness category).
Gold - For contract final manufacturing stage facilities, ensure that a grievance mechanism is available that permits stakeholders to obtain redress for negative environmental impacts.	In the CSDDD, the obligation to have a complaint procedure is only applicable to the company itself and not its suppliers. However, the procedure needs to be accessible to anyone with a legitimate concern regarding the adverse impact.
3.2.8 Transparency and Stakeholder Engagement Silver - Use open and transparent governance and reporting, making information on how environmental risks are managed and adverse impacts are addressed publicly available.	This is directionally aligned with the CSDDD which requires to publicly report on due diligence. Due diligence includes both environmental and human rights aspects.
Gold - Incorporate stakeholder engagement and feedback into environmental risk management, using it to shape company strategy and operations.	This is directionally aligned with CSDDD whereby the due diligence policy must be developed in prior consultation with the company's employees and their representatives.

C2C Certified requirements ENVIRONMENTAL POLICY & MANAGEMENT	CSDDD
3.2.9 Environmental Protection Incentives Platinum - Incorporate environmental performance results into relevant employee and executive performance evaluations and incentive structures.	C2C Certified® goes beyond the legal requirements of the Directive.
3.3 Measurable Improvement At recertification at the Bronze or Silver level, demonstrate that at least one measurable improvement has been made in at least one of the five program categories since the prior certification.	C2C Certified® goes beyond the legal requirements of the Directive.

C2C Certified requirements SOCIAL FAIRNESS	CSDDD
8.1 Human Rights Policy Bronze - Commit to respect human rights, as enshrined in municipal law and internationally recognized human rights standards, through company policy.	This is aligned with SCDDD which requires to integrate due diligence into all company's relevant policies and risk management systems and to have in place a due diligence policy.
8.2 Assessing Risks and Opportunities Bronze - Assess human rights risks and identify opportunities for improvement for the applicant company, including all final manufacturing stage facilities, and tier 1 suppliers.	This is aligned with the principles of CSDDD which requires to conduct risk-based environmental and human right due diligence. Companies must integrate due diligence into all risk management systems. The Directive also requires to assess adverse impacts taking into account risk factors. While identifying the adverse impacts, the companies (under the CSDDD) need to look into the upstream supply chain and parts of the downstream supply chain (including the distribution, transport and storage of a product). This extends beyond the final manufacturing stage facilities.
8.2 Assessing Risks and Opportunities Bronze - Demonstrate ongoing efforts to improve visibility and assess risks within the certified product's supply chain (i.e., beyond tier 1).	This is aligned with the principles of CSDDD which requires to map operations of company's business partners where related to its chains of activities when identifying adverse impacts. This goes beyond tier 1.
Gold - Assess human rights risks and identify opportunities for improvement associated with the product's components and raw materials (regardless of supply chain tier).	This is aligned with the Directive which requires to identify adverse impacts based on risk factors. However, the Directive is not as specific as the indicators listed in the sub-requirements.

C2C Certified requirements SOCIAL FAIRNESS	CSDDD
8.3 Monitor and Verify Performance Bronze - For final manufacturing stage facilities, measure performance against the human rights policy and confirm the completion of corrective actions associated with issues of high concern including child labor, forced labor, corruption/bribery, and immediate threats to life and safety.	This is aligned with the principles of CSDDD which requires companies to take appropriate measures to bring actual adverse impact to an end. When the adverse impact cannot be immediately ended, a company is required to develop a corrective action plan with reasonable and clearly defined timelines for the implementation of appropriate measures and qualitative and quantitative indicators for measuring improvement. The corrective action plan shall be adapted to companies' operations and chain of activities. 'Chain of activities' within the meaning of the Directive extends beyond manufacturing. Important to note that the adverse impacts under the CSDDD include also environmental adverse impacts, which is covered in the General Requirements.
Bronze - For any poor performance issues identified outside of 'Issues of Hight Concern', plan corrective actions.	This is aligned with CSDDD which also requires to take corrective measures. Accordingly, a corrective action plan shall be taken after the adverse impacts have been identified but cannot be immediately ended. The Directive also requires to seek contractual assurances from a direct business partner that it will ensure compliance with the corrective action plan. For the purposes of verifying compliance, the company may refer to independent third-party verification.
At recertification, demonstrate progress on addressing poor performance issues.	The Directive is more general on addressing performance issues. C2C Certified® goes beyond. However, it is important to note that the corrective action plan in the CSDDD is adapted to companies' operations and chain of activities. "Chain of activities" involves actors beyond high risk and tier 1 suppliers.

C2C Certified requirements SOCIAL FAIRNESS	CSDDD
8.4 Strategy for Policy Implementation Bronze - Develop a strategy for implementing the human rights policy.	This is directionally aligned with the CSDDD which requires that the due diligence policy has a description of a process to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to business partners. However, there is no explicit requirement to have an implementation strategy. Thus, C2C Certified® further than the expectation of the Directive.
8.5 Demonstrating Commitment Bronze - Demonstrate commitment and support for establishing and maintaining a culture whereby employees and business partners are able to achieve high levels of social performance.	C2C Certified® goes further than the Directive.
8.6 Management Systems Silver - Implement a management system that supports achievement of the human rights policy commitments within company operations.	This is aligned directionally with the Directive whereby due diligence needs to be integrated into company's policies and risk management systems. The Directive does not explicitly mandate to have a management system in place to support the environmental policy. C2C Certified® goes further than the Directive.
Gold - Implement a responsible sourcing management system that supports achievement of the human rights policy commitments within the product's supply chain.	This is aligned with the direction of CSDDD, where companies are required to make necessary changes in their purchasing practices. Yet, the responsible sourcing management system of C2C Certified® goes beyond the requirements of the Directive.

C2C Certified requirements SOCIAL FAIRNESS	CSDDD
8.7 Grievance Mechanisms Silver - Provide a grievance mechanism that permits company employees and other stakeholders to obtain redress for negative human rights impacts. For any contract final manufacturing stage facilities, request that a grievance mechanism be made available.	This is aligned with the principles of the Directive. The CSDDD obliges companies to have a complaints procedure for 3rd parties who have legitimate concerns regarding actual or potential adverse impacts with respect to the company's operations or operations of its subsidiaries and business partners. Also, the Directive requires a company to provide remediation for the adverse impact it caused. The remediation within the meaning of the Directive requires a restitution of the affected person or persons, communities or environment to a situation equivalent or as close as possible to the situation they would be in had the actual adverse impact not occurred, including financial or non-financial compensation provided by the company to a person or persons affected by the actual adverse impact. Remediation applies not only to negative impacts on human rights, but also on the environment (covered by the General Requirements).
Gold - For contract final manufacturing stage facilities, ensure that a grievance mechanism is available that permits employees and other stakeholders to obtain redress for negative human rights impacts.	In the CSDDD, the obligation to have a complaint procedure and to provide remediation is only applicable to the company itself and not its suppliers. However, the procedure needs to be accessible to anyone with a legitimate concern regarding the adverse impact.
8.8 Positive Impact Project Silver - Implement a positive impact project that measurably improves the lives of employees, the local community, or a social aspect within the value chain of the product.	C2C Certified® goes beyond the legal requirements of the Directive.
Gold - Conduct an assessment to determine the impact of the positive impact project using quantitative metric(s).	C2C Certified® goes beyond the legal requirements of the Directive.

C2C Certified requirements SOCIAL FAIRNESS	CSDDD
8.9 Transparency and Stakeholder Engagement Silver - Use open and transparent governance and reporting, making information on how human rights risks are managed and adverse impacts are addressed publicly available.	This directionally aligned with the CSDDD which requires to publicly report on due diligence. Due diligence includes both environmental and human rights aspects.
Gold - Incorporate stakeholder engagement and feedback into human rights risk management, using it to shape company strategy and operations.	This is directionally aligned with the CSDDD whereby the due diligence policy must be developed in prior consultation with the company’s employees and their representatives.
8.10 Collaborating to Solve Social Issues Platinum - Collaborate to develop and scale solutions to an intractable social issue within the value chain of the product.	C2C Certified® goes further than the legal requirements of the Directive.
8.11 Fostering a Culture of Social Fairness Platinum - Foster a diverse, inclusive, and engaged work environment in which social fairness operates as a core part of recruitment, training, remuneration, performance evaluation, and incentive structures.	C2C Certified® goes further than the legal requirements of the Directive.

The EU Forced Labour Regulation

Objective

- The Forced Labour Regulation **prohibits placing products made with forced labour** on the EU market.
- The Forced Labour Regulation does not directly impose new due diligence requirements on companies regarding forced or child labour, but it supports due diligence obligations set in the applicable EU legislation, such as CSDDD.
- *Product made with forced labour* means a product for which forced labour has been used in whole or in part at any stage of its extraction, harvest, production or manufacture, including working or processing related to a product at any stage of its supply chain. Such products shall be withdrawn from the market and/ or destroyed.



Compliance

- If the authorities have a suspicion of forced labour, companies must be able to demonstrate that their products were not manufactured using forced labour to avoid them being banned from the EU market. In practice, this requires companies **to implement policies and processes to monitor and address forced or child labour in their supply chains**. Also, traceability will be key to comply with the Regulation.
- Companies found using forced labour will be required **to remove their banned products** from the EU single market, with options to donate, recycle, or destroy them. Non-compliant businesses may also **face fines**. Once forced labour is fully eradicated from their supply chains, the products may be reintroduced to the EU market.



The scope & timeline



C2C Certified® as a supportive tool

Risk assessment requirement

The EU Forced Labour Regulation has a specific focus on the issue of forced labour, C2C Certified® addresses these issues in part within the **Social Fairness** category when assessing risks and opportunities or in relation to the human rights policy and monitoring & verifying performance.

C2C Certified® requires assessing risks related to forced labour: assessing forced labour and child labour risks aligns with the expectations of the Forced Labour Regulation, whereby the companies under the assessment (before the official investigation starts) will be requested to provide information on their relevant actions taken to identify, prevent, mitigate, bring to an end, or remediate risks of forced labour in their operations and supply chains. **C2C Certified® provides specific guidelines and methodologies** to help companies within the scope of the regulation **to meet the requirements and provide the required information.**

Supply chain

For issues of high concern, such as forced labour and child labour, C2C Certified® requires **assessing risks associated with the product's components and raw materials regardless of the supply chain tier.** This is generally aligned with the Forced Labour Regulation which looks at the processes and actors involved at all stages upstream of the product being made available on the market namely the extraction, harvesting, production, and manufacturing of a product in whole or in part, including working or processing related to the product at any of those stages.

In relation to monitoring and verifying performance, C2C Certified® references only to the applicant company and the final manufacturing stage facilities. This diverges from a more inclusive supply chain approach visible in the regulation.

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