



Corporate Sustainability Due Diligence Directive (**CSDDD**)

This document is intended for present and prospective users of the Global Sustainable Enterprise System. The goal of this document is to briefly describe CSDDD and to explain the alignment between CSDDD and GSES.

www.gses-system.com

July 2025



About GSES

Who We Are

GSES is a holistic sustainability rating system, helping organizations make sustainable choices. It measures, benchmarks and externally verifies the sustainability performance of organisations, physical products and assets worldwide.

What We Do

The GSES platform uses the Global Sustainable Enterprise Standard as a universal language to measure sustainability. This standard is an overarching meta-standard, translating more than 500 widely accepted standards and certificates into KPI's making them measurable and comparable.

Our Mission

With the goal of simplifying the sustainability certification landscape and working against greenwashing, GSES works from the ground up - verifying and rewarding existing efforts and showing room for improvement.

Our Vision

Our vision is a world where sustainability is not just a goal, but a well-defined path that guides every organization towards responsible and ethical practices. We envision a future where companies, governments, and individuals have access to clear, transparent, and actionable guidelines for achieving sustainability, without the burden of complexity and ambiguity.



What is CSDDD?

What?

The aim of the Corporate Sustainability Due Diligence Directive (CSDDD) of the EU is to foster sustainable and responsible corporate behavior and to anchor human rights and environmental considerations in companies' operations and corporate governance.

What are the requirements of CSDDD?

- Companies will be required to conduct risk-based human rights and environmental due diligence, including mapping the company's operations to identify actual or potential adverse impacts in the value chain. Companies will be required to take measures to prevent and mitigate impacts.
- Companies will be required to adopt and put into effect a transition plan for climate change mitigation in line with the Paris Agreement.

Why?

A broad range of stakeholder groups, including civil society representatives, EU citizens, businesses, and business associations, have been calling for mandatory due diligence rules. 70% of the businesses who responded to a public EU consultation stated that corporate sustainability due diligence is needed.

Benefits for citizens:

- Better protection of human rights, including labour rights.
- Healthier environment for present and future generations, including climate change mitigation.
- More transparency enabling informed choices.

Benefits for companies:

- Harmonized legal framework in the EU, creating legal certainty and level playing field.
- Greater customer trust and employees' commitment.
- Better awareness of companies' negative human rights and environmental impacts, less liability risks.
- Increased incentives for innovation.



When and for whom?

- **July 2027**

- Large EU companies:
 - >5,000 employees and net annual worldwide turnover >EUR 1.5bn
- Large non-EU companies:
 - >EUR 1.5bn net annual turnover in the EU

- **July 2028**

- EU companies
 - >3,000 employees and net annual worldwide turnover >EUR 900m
- Non-EU companies
 - >EUR 900m net annual turnover in the EU

- **July 2029**

- Companies with >1,000 employees and >EUR 450m turnover
- Companies having entered into franchising or licensing agreements with >EUR 800m turnover in the EU and >EUR 22.5m in royalties

**voting on final proposition is expected in October 2025*



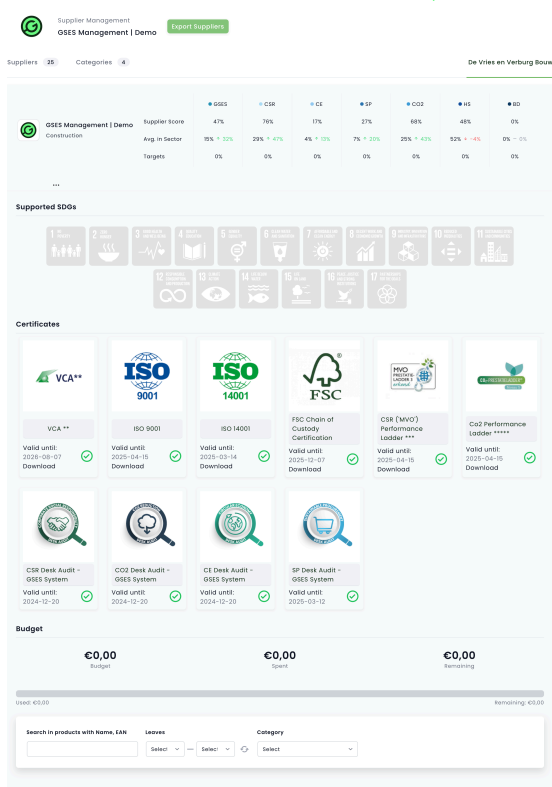
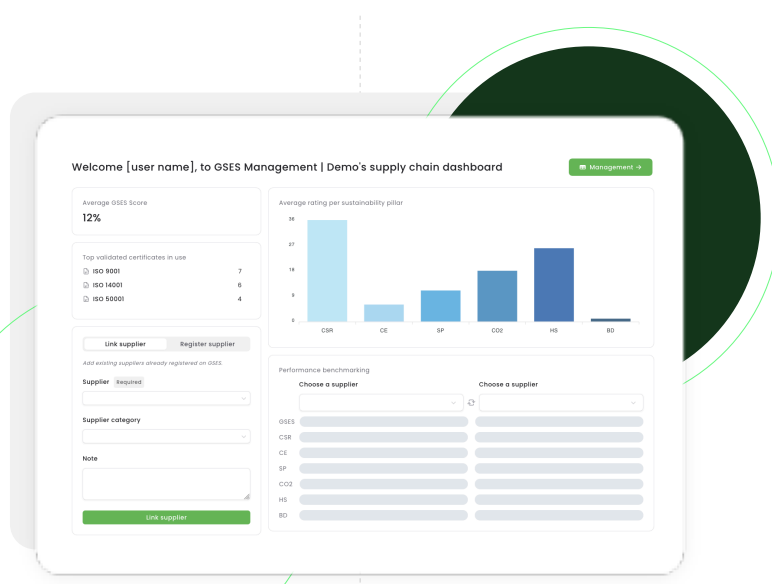
How can GSES help?

GSES brings years of expertise in measuring an organisation's due diligence across various areas. We evaluate organisations based on six key topics, known as "pillars": Corporate Social Responsibility, Circular Economy, GHG Reduction, Sustainable Procurement, Health and Safety, and Biodiversity. Each of these six assessment questionnaires includes a dedicated section on due diligence, ensuring a comprehensive evaluation. Obtaining your measurement from GSES is the first step toward achieving compliance with the CSDDD.

Modules to boost your preparation for CSDDD

Supply Chain Dashboard

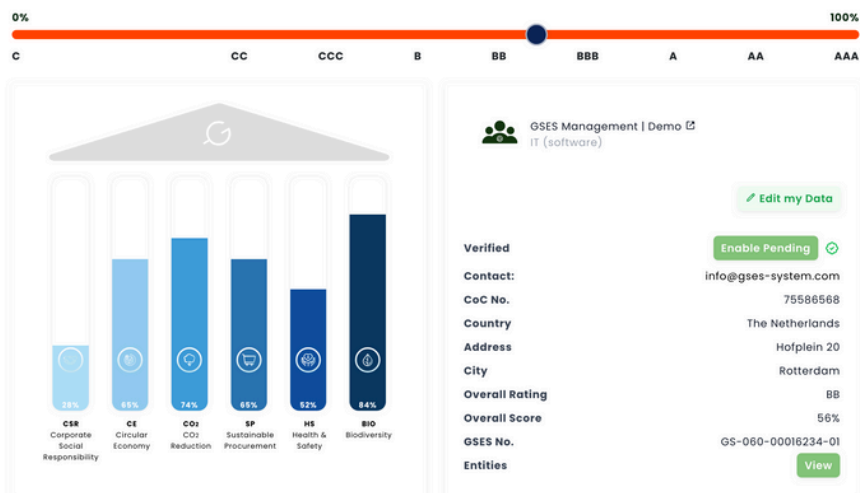
Show how your EU operating company prevents, mitigates, and accounts for human rights abuses and environmental harm throughout your supply chain. GSES has a Supply Chain Dashboard, Supply Chain Management Dashboard, and a dashboard that allows you to look at your suppliers by category.





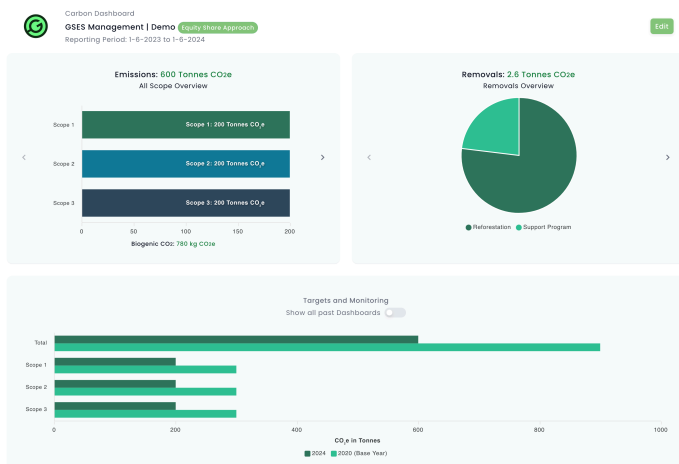
Organization Module

Show your alignment with the CSDDD by assessing your organization's sustainability performance across six critical areas: Corporate Social Responsibility, Circular Economy, CO2 Reduction, Sustainable Procurement, Health & Safety, and Biodiversity.



Carbon Module

The carbon dashboard assists our users with the CSDDD by providing clear insights into their carbon footprint, enabling them to meet compliance requirements and identify areas for improvement. By facilitating risk assessment and supporting transparent reporting, the dashboard empowers companies to make informed decisions, engage suppliers, and demonstrate their commitment to sustainability.



Create a Carbon Dashboard
GSES Management | Demo

Import from a Carbon Calculator

Carbon Calculator Year

Carbon Dashboard Input

Year Period Boundary

Scope 1
Emission Trading Scheme (ETS) % Regulated under the ETS

Emissions Category Value (Gross Tonnes) Delete Add

Scope 2
Scope 2 Emissions - Market Based (Gross Tonnes) Scope 2 Emissions - Location Based (Gross Tonnes)

Scope 3
Emissions Category Value (Gross Tonnes) Delete Add

Targets

Base Year

Target Year Scope 1 Target Scope 2 Target Scope 3 Target

2020 2020 Delete Add

2025 2025 Delete Add

Carbon Removals

Removal Activity Carbon Removals (kg CO₂e) Activity or Credit Evidence File

Biogenic CO₂

Activity Emissions (kg CO₂e) Delete Add

Create

Get your CSDDD third party verified



Independent Verification

At GSES we have partnered up with independent certification institutions/accountants. By incorporating third party verification through our partnership with Audit Independender, GSES ensures that there is no room for greenwashing or any other false claims.

All scorecards on the GSES platform will be independently verified by one our trusted partner institution.





Sources

https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en

https://finance.ec.europa.eu/document/download/161070f0-aca7-4b44-b20a-52bd879575bc_en?filename=proposal-directive-amending-accounting-audit-csrd-csddd-directives_en.pdf

https://www.globalcompliancenews.com/2025/07/07/https-insightplus-bakermckenzie-com-bm-environment-climate-change-1-europe-omnibus-the-council-adopts-its-negotiation-position-on-the-proposal-to-amend-csrd-csddd_06262025/

Get in **touch!**

Do you have any questions or would you like to learn more?
Please contact support@gses-system.com

Please consult the website of the European Commission for the latest information about laws and regulations.