International Association of Oil & Gas Producers

POSITION STATEMENT | NOVEMBER 2026

Making the CSDDD implementation workable

IOGP Europe recommendations for practical, risk-based Guidelines

Introduction

The Corporate Sustainability Due Diligence Directive has recently entered its national transposition phase. Companies operating in the European Union, however, have already invested considerable time and resources in preparing for compliance and integrating human rights and environmental due diligence into governance, risk management, operational and supply-chain processes. The forthcoming European Commission Guidelines should help companies build on this work and support consistent implementation by national authorities.

The Guidelines should take the revised Directive as their starting point and preserve the balance agreed through Omnibus I. They should explain its requirements without expanding or narrowing its scope, adding obligations or restricting the flexibility it provides. Implementation should remain risk-based, proportionate and focused on effective due diligence. Lastly, we believe that The Commission should publish the draft Guidelines for stakeholder consultation before adoption, allowing companies and industry associations to assess their practical application and identify implementation challenges.

IOGP Europe proposes six guiding principles and calls on the Commission to consult affected stakeholders on the draft Guidelines before finalisation.

1. A clear risk-based and obligation-of means framework

The Guidelines should confirm that the CSDDD requires credible processes and appropriate measures, rather than a guarantee of outcomes throughout chains of activities. They should remain concise, accessible and explicitly non-binding, without turning general duties into rigid checklists. Examples of adverse impacts should remain consistent with the definitions in Article 3 and the rights, prohibitions and obligations covered by the Annex of the CSDDD.

Companies should concentrate efforts according to the severity and likelihood of adverse impacts, using reasonably available information. Leverage, operational control, proximity to the impact, data reliability, existing safeguards and the operating context should inform the measures taken.

Supervisory authorities should recognise reasonable, documented and good-faith decisions when assessing compliance. Companies should retain flexibility to select appropriate measures for their operations and business relationships. A supervisory finding that a due diligence programme is compliant should carry substantial weight in subsequent assessments of the same issue, including by other authorities and in civil proceedings, within the applicable legal framework.

2. Recognition of existing due diligence and operational systems

Recognition of existing systems should be anchored in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Where existing arrangements meet the Directive's requirements, they should serve as the basis for implementation without parallel policies, assessments or reporting channels.

Relevant systems in the oil and gas sector include enterprise risk management, health, safety and environmental management, impact assessments, permitting and regulatory compliance, supplier due diligence and grievance mechanisms. Established international and industry frameworks, supported by governance, controls and assurance, can also provide a credible basis for implementation.

Stakeholder engagement should build on existing dialogue and grievance channels, adapted to local contexts and proportionate to the company's proximity and leverage. The assessment should focus on whether these arrangements are effective and proportionate in practice, rather than conformity with a prescribed administrative format.

3. Proportionate scoping of complex global supply chains of activities

The Guidelines should take the scope established by the revised Directive as their clear starting point. Once a company falls within that scope, its due diligence obligations concern relevant adverse impacts associated with its own operations, those of its subsidiaries and its chains of activities, as defined by the Directive, including outside the EU.

Within that scope, the Guidelines should support proportionate, risk-based identification and assessment of adverse impacts, without expectations of exhaustive mapping or continuous monitoring of every tier. Initial scoping should draw on reasonably available information and credible risk indicators relating to countries, sectors, commodities and business partners. In-depth assessments and additional information requests should focus on areas identified as presenting the greatest risks, taking account of the likelihood and severity of adverse impacts.

Companies should remain free to select sources and tools suited to their risk profile, including digital solutions. The use of appropriate sources and tools should be recognised as evidence of good-faith efforts, without any tool or solution becoming a de facto compliance standard. Within the Directive's requirements, expectations should reflect differences in control, leverage and access to information in relation to companies' own operations, their subsidiaries and their direct and indirect business partners.

Non-EU companies may face practical and legal challenges when implementing these obligations globally, particularly in relation to operations and business relationships outside the EU that are unrelated to products or services placed on the EU market. The Guidelines should clarify how to apply proportionate, risk-based due diligence in these circumstances, taking account of third-country legal frameworks and potential conflicts of law. The Commission should provide workable guidance on access to information, conflicting legal requirements and reliance on existing systems, while respecting the scope established by the Directive.

4. Legal certainty for operators across jurisdictions

The Guidelines should address implementation challenges involving confidentiality, data protection, national security, sanctions, competition law and restricted access to information. Where information is unavailable for legal or practical reasons, they should explain how companies can use credible third-party sources, risk proxies, industry initiatives and other reasonable alternatives, documenting their efforts and remaining information gaps.

Adapted approaches are particularly important in conflict-affected and high-risk areas. Security threats, access restrictions or risks of retaliation against stakeholders may prevent on-the-ground assessments and direct engagement.

Robust local legal frameworks, valid permits and compliance with well-enforced labour, health, safety and environmental laws should be recognised as relevant evidence of existing controls. The Guidelines should explain how companies can use credible permitting assessments and regulatory oversight in their own risk-based assessments, avoiding unnecessary duplication.

Such evidence does not replace companies' responsibility to identify and address relevant adverse impacts under the CSDDD. Companies should assess whether existing controls adequately address the identified risks and take additional measures where needed.

A common Commission approach should support consistent supervision and enforcement across Member States. The Guidelines should remain within their interpretative role and should not create new liability standards or alter applicable rules on jurisdiction or applicable law.

5. Practical use of contracts, industry initiatives and verification

Contracts, collaborative initiatives and assurance can strengthen due diligence. Guidance on voluntary model contractual clauses should support flexible approaches adapted to sectors, jurisdictions and commercial relationships, without making wording a condition of compliance. Clauses should facilitate cooperation, corrective action and continuous improvement without transferring an in-scope company's responsibilities wholesale to business partners or SMEs.

A business partner's refusal to accept clauses should not, by itself, establish non-compliance. Assessments should consider the company's good-faith efforts, limits on leverage and other appropriate measures available to address the risk.

The Guidelines should recognise credible industry initiatives, shared methodologies and existing assurance frameworks, including relevant tools such as the Ipieca–API–IOGP Sustainability Reporting Guidance. They should also provide competition-law clarity for collaboration on risk information, supplier engagement, audits and capacity building. Practical examples should remain options rather than implicit compliance tests.

Third-party verification should respond to the identified risk, rather than become a routine procedural requirement. Credible verification and assurance should count as relevant evidence of due diligence without providing an automatic safe harbour.

6. Proportionate responsibility, remediation and disengagement

The Guidelines should distinguish between causing, jointly causing and being linked to an adverse impact. Remediation should reflect the company's contribution and role under the Directive. A commercial relationship, shareholding or chain-of-activities connection should not, by itself, establish that the company caused or jointly caused an impact.

The occurrence of an adverse impact should not, by itself, establish a failure to meet due diligence obligations. The Guidelines should clarify remediation responsibilities consistently with the Directive's distinctions between causing, jointly causing and impacts caused only by business partners. Voluntary remediation should remain possible without implying an acknowledgement of liability.

Disengagement should remain a last resort after reasonable prevention, mitigation and engagement efforts, consistent with the Directive's requirements. Companies should assess whether suspension or disengagement would create more severe consequences for workers, communities or the environment.

The Guidelines should recognise operational constraints in global commodity markets, including limited sourcing alternatives, geopolitical developments, trade restrictions, sanctions and security-of-supply considerations. They should explain how these factors inform appropriate measures without displacing due diligence responsibilities.

Where continued engagement offers the most effective response, companies should be able to document that assessment and their use of leverage, contractual arrangements, industry initiatives, capacity building or supplier engagement. This should include the expected consequences of disengagement and the availability of alternative suppliers.

Publish the draft Guidelines for stakeholder consultation before adoption

The Commission should publish draft Guidelines and consult affected stakeholders before adoption. Companies and industry associations can test their practical application, identify unintended consequences and propose workable solutions.

The final Guidelines should support a common interpretation of the revised Directive, recognise effective existing systems and help companies' direct resources towards the most significant human rights and environmental risks. IOGP Europe stands ready to contribute practical sector expertise to that process.