

# Risk & Resilience

Insight on human rights & sustainability strategy

Launching a CS3D-  
Aligned Complaints  
Mechanism:  
Lessons from a Pilot

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# Abstract

Grievance mechanism expectations under the [EU Corporate Sustainability Due Diligence Directive](#) (CS3D) are groundbreaking. Such mechanisms are expected to align with the effectiveness criteria of the UN Guiding Principles on Business and Human Rights (“Guiding Principles”), while extending far beyond the scope envisioned in voluntary standards. The practical challenge created by this union of due process and scale is substantial. Over the last two years, our team led a pilot to understand how best to launch CS3D-aligned grievance mechanisms across global supply chains. This piece draws out some of the practical lessons we learned and suggests paths forward.

## Elements of CS3D-Compliant Grievance Mechanisms

The CS3D represents a widening, hardening and deepening of corporate human rights obligations. (While its precise scope and expectations are in flux in the wake of the [EU Commission’s Omnibus proposals](#), the substance of this piece is unaffected by the mooted changes.) Article 14 details two types of mechanisms expected of companies: “complaints procedures” and “notification mechanisms”. We focus here on the former, which have stricter due process requirements, analogous to “grievance mechanisms” under the Guiding Principles.

Complaints procedures should enable individuals, entities, and legitimate representatives to “submit complaints [to subject companies] where those persons or entities have legitimate concerns regarding actual or potential adverse impacts with respect to the companies’ own operations, the operations of their subsidiaries or the operations of their business partners in the chains of activities of the companies.” [Art. 14(1)] Such procedures should be “fair, publicly available, accessible, predictable and transparent” [Art. 14(3)]—terms which the CS3D expressly provides should be interpreted in line with Guiding Principle 31’s effectiveness criteria.

NB: While we focus here on the CS3D, similar mechanisms are expected under the EU Deforestation Regulation and the Batteries Regulation—with the latter also referencing alignment with the Guiding Principles.

### Key Practical Considerations

The combination of these requirements means that CS3D-compliant grievance mechanisms should offer procedural fairness for potential complainants far beyond those who might be directly affected by company operations. We will consider the specifics of such process requirements in future posts. Broadly, however, three practical elements are critical when designing and launching such mechanisms: accessibility, scalability, and compliance with cognate legal regimes.

## 1 Accessibility

A cornerstone of CS3D “complaints procedures” is substantive accessibility: those for whom the mechanism is designed must know about the mechanism, trust it, and be able to use it. That requires companies to address potential barriers to access, including language, literacy, costs, physical location and fear of retaliation. Meeting the strict terms of the expectation involves some element of context-tailoring based on the company’s operations and value chain, to address barriers that may be specific to certain groups in specific parts of the world.

## 2 Scalability

The CS3D’s accessibility expectations create a real scalability challenge for subject companies: a mechanism that is substantively accessible across the “chain of activities” cannot reasonably depend on supplier consent for design and administration. The challenge is logistical and principled. Companies subject to the CS3D likely have tens of thousands of suppliers just in their first tier—and many more unknown ones in tiers beyond. An approach that depends on supplier support to receive and address complaints would render the launch and administration of such a mechanism absurdly time-consuming and inconsistent. (Moreover, based on our worker engagement across jurisdictions, there is a material risk that suppliers would seek to dissuade or otherwise influence workers who sought to use the mechanism.)

## 3 Cognate legal regimes

The expansive scope of CS3D complaints mechanisms—in types of harms, commercial relationships, and range of jurisdictions—also implicates compliance with myriad legal regimes. Relevant regulations might touch on privacy, mandatory disclosure, employment law, trade regulation, and targeted civil liability regimes, such as the [US Trafficking Victims Protection Reauthorization Act](#), among others. Navigating these requirements while meeting the CS3D’s expectations would involve calibrated information flow and escalation procedures.



# Testing the CS3D in Practice: A Supply Chain Pilot

In 2023, our team was engaged to assess practical ways to launch a CS3D-aligned grievance mechanism across a technology company's global supply chain. We designed and launched a pilot mechanism in the Philippines with the support of a grievance technology platform and a respected local legal advocacy NGO. Our focus was on testing whether and how a company can meet the CS3D's substantive accessibility expectations at scale; unlike other, narrower mechanisms of which we are aware, the Pilot was thus designed to run *without* supplier notification and consent.

Our design process involved on-the-ground engagement with workers, unions, civil society groups, academics, international organizations, and government officials. We then developed, refined, and tested grievance protocols, incorporating feedback from local experts and worker representatives. Two key elements of the Pilot's design flowed from the lack of supplier involvement.

## 1 Focus on leverage

A supplier-level mechanism run by a buyer—particularly without supplier consent—will be inherently limited in its ability to investigate and address complaints related to supplier wrongs. The process was thus structured to trigger engagement by the global company with suppliers based on complaints.

## 2 Limited remedy

Despite the Pilot's limited ability to assess and address complaints fully, an effective mechanism needs to be able to provide some measure of relief to the complainant if it is to be trusted and used. We therefore worked with the local NGO to provide legal support to any complainant, including possible representation before courts and administrative tribunals.

# Lessons

The Pilot ultimately ran for five months and offered several key lessons for CS3D-aligned, supply chain-accessible grievance mechanisms:

## 1 Scalability v. accessibility

Seeking supplier consent—let alone involvement—to launch a mechanism precludes scale of the type envisioned by the CS3D, even just at the first tier. But the absence of such consent and involvement makes meaningful accessibility extremely difficult, even with the invaluable network and support of a credible local organization. In practice, some degree of one element will inevitably need to be compromised to achieve the other.

## 2 Lack of transparency limits credibility

Stakeholder trust may be undermined where the companies behind the mechanism are not identified. The Pilot documents did not mention the company, for a range of legal and operational reasons—as well as to manage stakeholder expectations. But the lack of an identified brand behind the mechanism diminishes worker willingness to use it, particularly in an environment where workers generally fear retaliation by employers.

## 3 Meaningful remedy matters

Effective grievance mechanisms serve a remedial function and a due diligence function. The Pilot privileged the latter due to the absence of supplier consent, which made meaningful investigation impossible. This inherent limitation likely undermined claimant willingness to participate, as there was no clearly defined benefit, and complainants may have been taking risks in doing so.

## 4 Credibility needs time

The Pilot ran for five months. That timeframe proved far too short to build general trust in the mechanism's structure. Any new grievance mechanism likely needs substantially longer to establish credibility with affected and expert stakeholders, for it needs to demonstrate both that complaints will be fairly handled and that the filing of them will not create risks for complainants.

# Recommendations for Companies

Based on the Pilot's lessons, we have three recommendations for companies seeking to develop a CS3D-aligned, supply-chain oriented grievance mechanism.

## 1 Consider multi-company cooperation

Our priority recommendation is for companies to seek to establish jurisdiction-specific, multi-company grievance mechanisms. Such mechanisms would be funded by, and scoped to, the supply chains of several brands in the same sector. As with the Pilot, the structure would involve working with a technology company and credible local civil society organizations, but with a larger number of participants to enhance leverage over suppliers, drive meaningful remedy, and limit individual companies' legal risk. This model has the best chance of complying with emerging legal expectations at scale.

## 2 Develop a company-wide grievance mechanism with local tailoring

A second option—complementary to the first—is to invest in supplier-focused grievance mechanisms drawing on the compliance-helpline model. Such a helpline should have a distinct infrastructure than compliance helplines, because the range of the potential harms and the inability for the company to investigate them requires a different triage and response model, including structured escalation to navigate compliance with multiple legal regimes. Such an approach has the advantage of efficient scale, but it is arguably wanting in substantive accessibility. To mitigate that challenge, we would recommend an element of local tailoring to drive accessibility—for instance, with a credible NGO—in priority regions, defined by stakeholder risk and supplier concentration.

## 3 Exercise leverage to enhance supplier grievance mechanisms

In parallel with the two recommendations above, companies should also exercise their leverage to require suppliers to develop their own fair and effective grievance mechanisms. Such mechanisms should have clear protections in place for complainant anonymity, an established protocol to determine remedy, and demonstrable protections against retaliation. Assessing effectiveness of supplier-run grievance mechanisms should be a core element of company due diligence protocols.

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