



YUGOV SURVEY 15 - 28.04.2025

LKSG AND CSDDD IN A REALITY CHECK: OPINIONS OF 1,350 BUSINESS DECISION-MAKERS



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CHAIRWOMAN OF THE BOARD OF
DIRECTORS

REPRESENTATIVE COMPANY SURVEY (B2B) WITH YUGOV









Period: April 15 – 28, 2025, 1,350 company decision-makers

Method

- The data for this survey is based on online interviews with members of the YouGov panel who had agreed to participate in advance. For this survey, a total of 1,350 corporate decision-makers were interviewed between April 15 and 28, 2025.
- The survey was broken down by employee share per company size and the results were then weighted accordingly.
- The results are representative of commercial companies in Germany.
- **If you plan to report on this survey, YouGov must always be cited as the source as well.**

EXECUTIVE SUMMARY

Due diligence obligations: perspective of the German economy

-  – **Important issue:** Human rights & environmental standards are highly relevant for companies
-  – **LkSG works:** More than 50% of large companies invest in human rights and environmental protection
-  – **Competitive advantage:** 50% of German companies see advantages over EU competitors because of the LkSG
-  – **Strategically relevant:** 44% see long-term advantages for EU companies over US- & China competitors
-  – **Strengthening EU business locations:** More investment for supply chains in the EU
-  – **Clear stance:** majority in favour of EU-wide harmonization of due diligence obligations
-  – **No relief lever:** hardly any need for action on due diligence obligations
-  – **Planning risks:** "Omnibus" leads to uncertainty for 50% of the companies surveyed
- **Barrier to investment:** Legal uncertainty burdens 48% of participating companies

Our conclusion: companies are committed to due diligence. Politicians should stand by it - not weaken it.

A large container ship is shown from a low angle, with its massive hull and stacks of colorful shipping containers (green, red, blue) dominating the left side of the frame. The ship is sailing on a calm sea under a hazy, orange-tinted sky, suggesting a sunrise or sunset. The ship's reflection is visible on the water's surface.

PRIORITIES IN ECONOMIC POLICY: WHAT COMPANIES WANT INSTEAD OF THE OMNIBUS

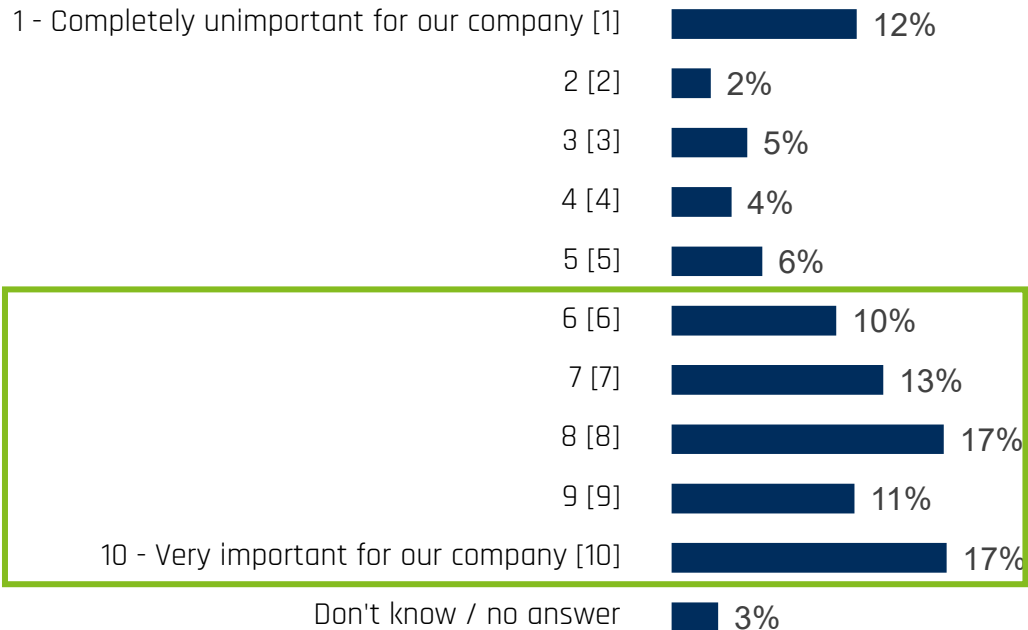
PRIORITIES IN ECONOMIC POLICY: WHAT COMPANIES WANT INSTEAD OF OMNIBUS

- Compliance with human rights and environmental standards is important to German companies.
- The introduction of the LkSG has led to a significant **increase in the importance attributed to the protection of human rights and the environment** in companies.
- The majority of German companies **do not see potential for boosting the economy by reducing due diligence obligations**.
- A majority of companies **welcome an EU-wide harmonization** of due diligence obligations.
- 50% of companies see themselves as having **an advantage over their European competitors** because due diligence obligations already apply in Germany under the LkSG.
- **Omnibus leads to legal uncertainty** and more difficult planning for one in two companies.
- The current legal uncertainty **is delaying investment decisions for 48% of companies**.

COMPLIANCE WITH HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS IS IMPORTANT TO GERMAN COMPANIES

How unimportant or important is compliance with human rights and environmental standards for your company in your business activities? (n = 1350)

Please rate this on a scale from 1 = "Completely unimportant for our company" to 10 = "Very important for our company"?



69% of German companies

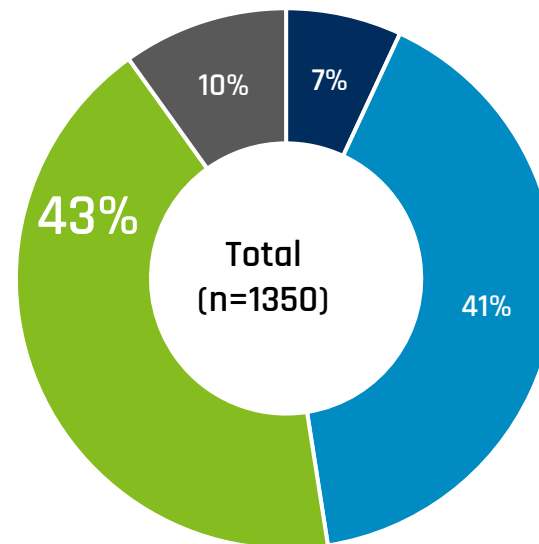
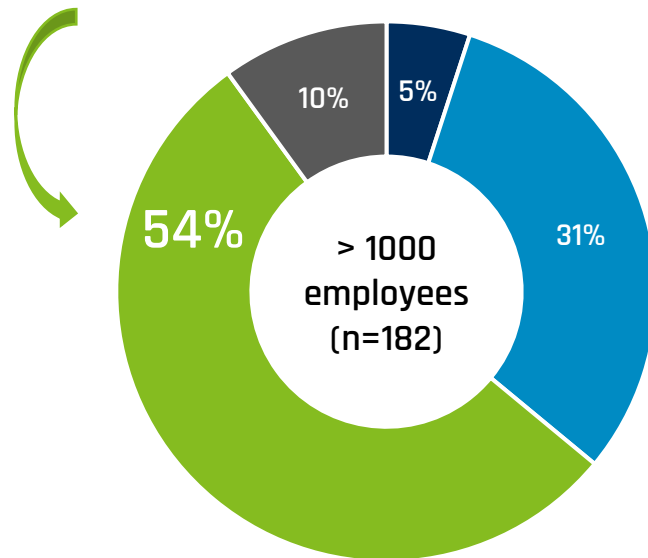
rate compliance with human rights and environmental standards in their business activities as important to very important. Only 23% rate it as unimportant.

LKSG STRENGTHENS HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS

For 54% of companies with over 1,000 employees, the importance of human rights and environmental standards has (significantly) increased since the introduction of the LkSG

Has the importance of human rights and environmental standards changed in your company since the introduction of the LkSG, and if so, how?

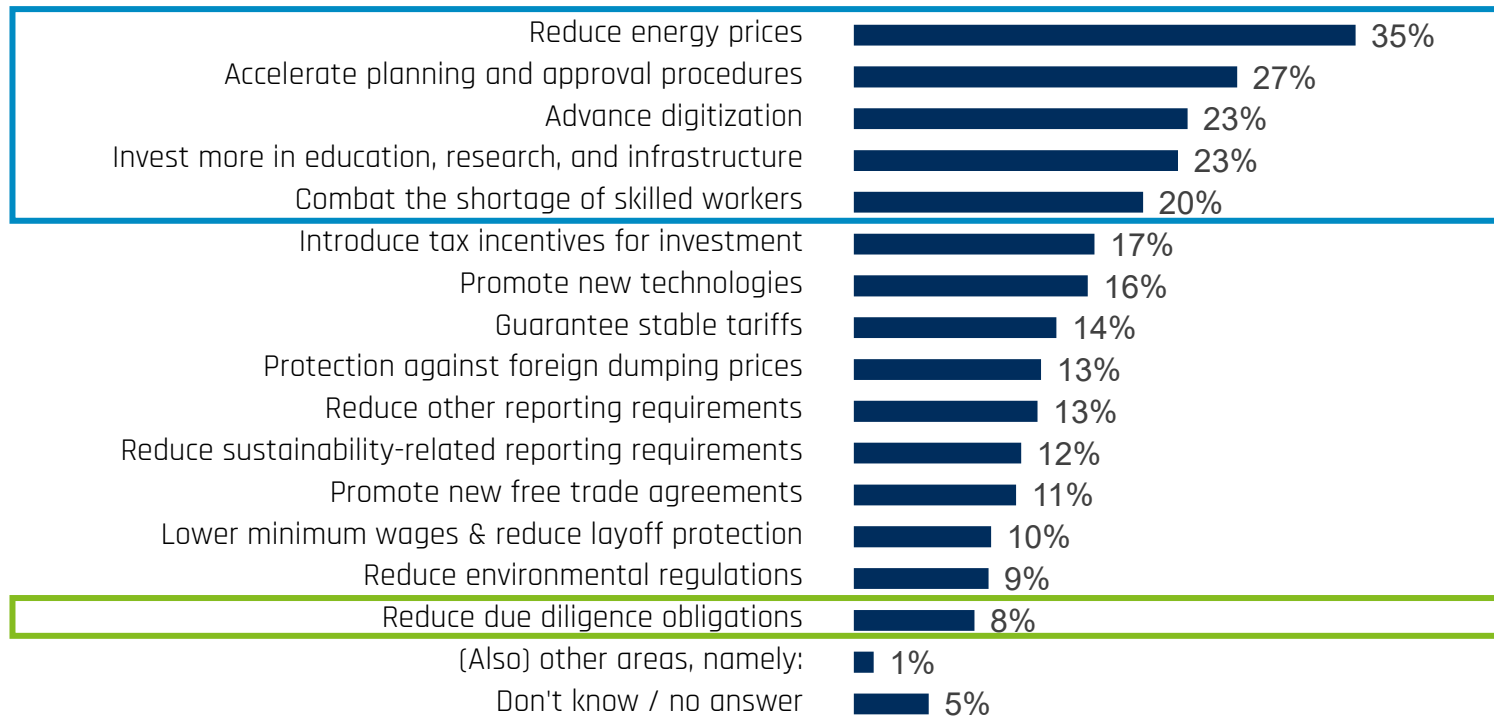
If the importance has (significantly) decreased, please rate this on a scale of 1-3, 4-6 means no / hardly any change and 7-10 means (significantly) increased importance of the protection of human rights and environmental standards in your company.



- 1 - 3 ((significant) decrease in importance)
- 4 - 6 (hardly any / no change)
- 7 - 10 ((significant) increase in importance)
- don't know / no answer

COMPANIES SEE NEED FOR ACTION ON ENERGY COSTS, PERMITS, DIGITALIZATION, EDUCATION AND SKILLED WORKERS

In your opinion, in which areas is there the greatest need for action to relieve and boost the German economy?
Please select up to 3 answers. (n = 1350)



German companies see a need for action in many areas in order to reduce the burden on the German economy, but only

8%

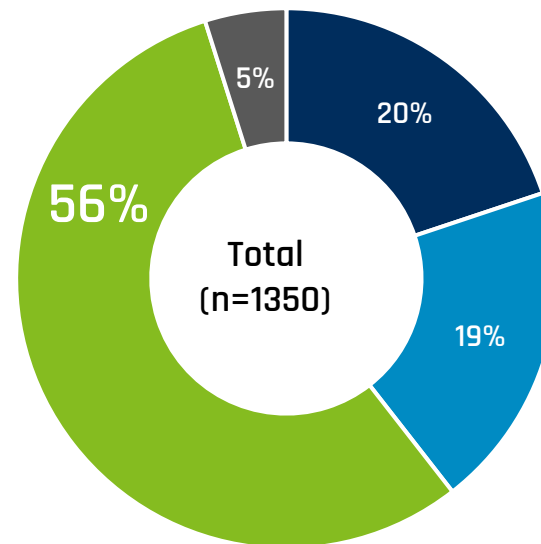
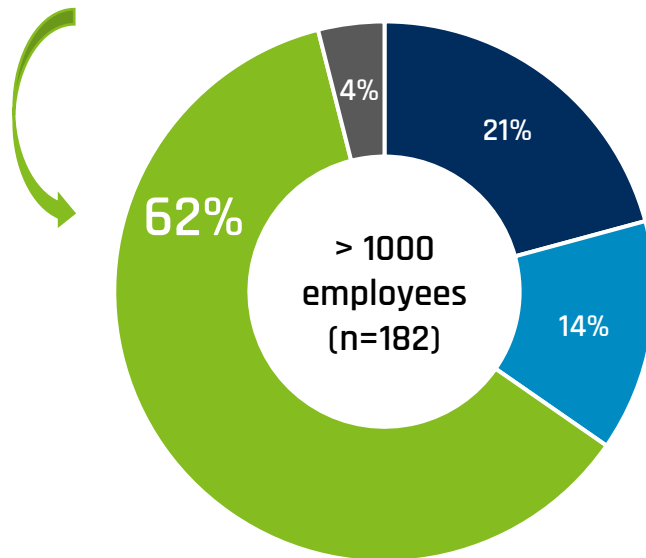
see it in the reduction of due diligence obligations.



MAJORITY WELCOMES HARMONIZATION OF DUE DILIGENCE OBLIGATIONS IN THE EU

62% of companies with over 1,000 employees are in favor of EU-wide standardization through the CSDDD

How much do you agree with the following statement? - The harmonization of due diligence obligations for large companies throughout the EU, as provided for in the CSDDD, is to be welcomed from a business perspective.



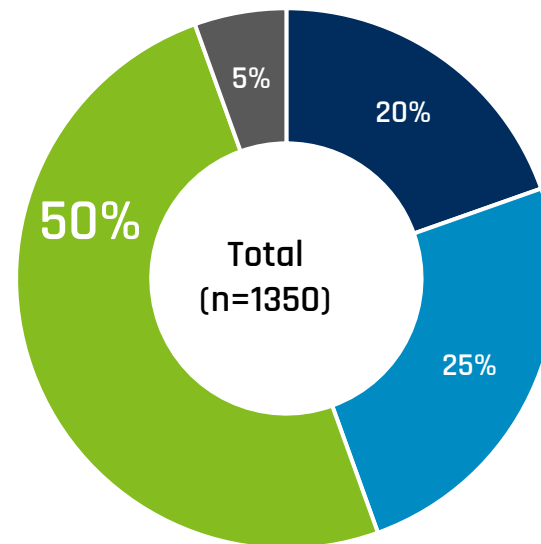
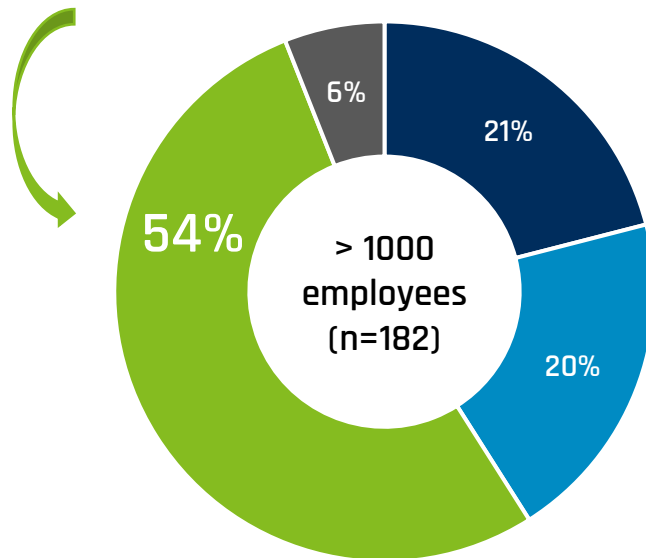
- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

* The % value is an aggregated value from two scale points

COMPANIES SEE PREPARATION BY LKSG AS A COMPETITIVE ADVANTAGE

54% of large companies feel well prepared for the CSDDD thanks to the LkSG - only 21% recognize no advantage

How much do you agree with the following statement? - German companies have an advantage over their European competitors with regard to the introduction of the EU Corporate Sustainability Due Diligence Directive (CSDDD) because due diligence obligations already apply in Germany with the LkSG.



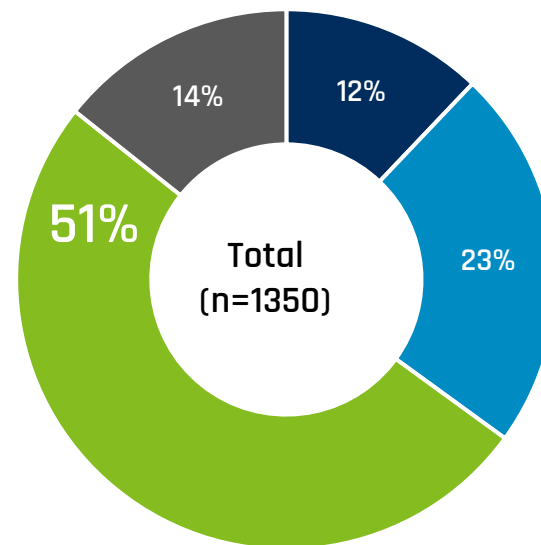
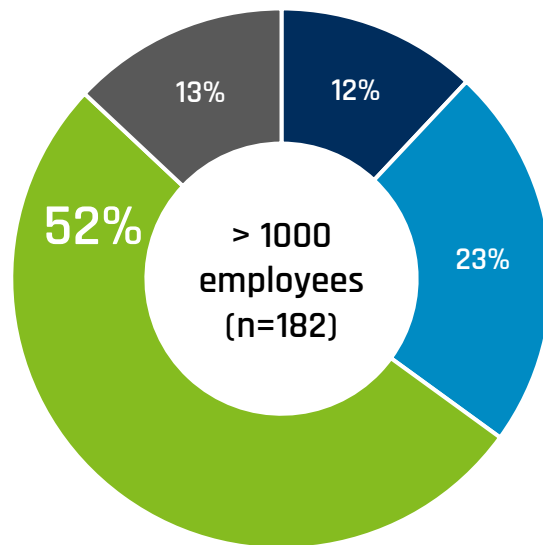
- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

* The % value is an aggregated value from two scale points

OMNIBUS BILL IMPAIRS PLANNING SECURITY

51% of German companies see risks for planning due to regulatory uncertainty

To what extent do you agree with the following statement? - With the omnibus proposal, the EU is already revising the Corporate Sustainability Due Diligence Directive (CSDDD) again, even though it was only just adopted last summer. The legal uncertainty this creates makes our planning more difficult.



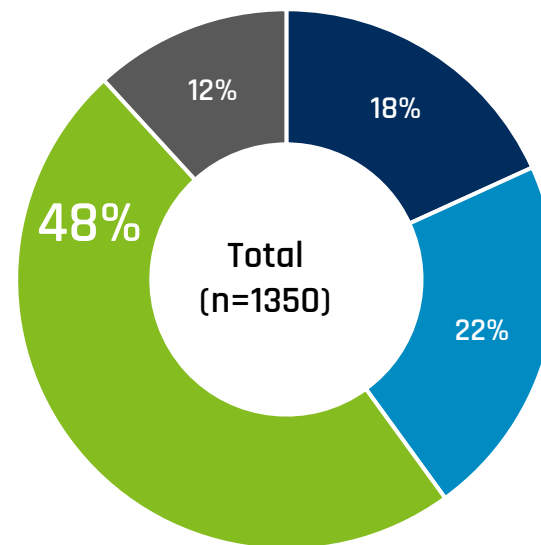
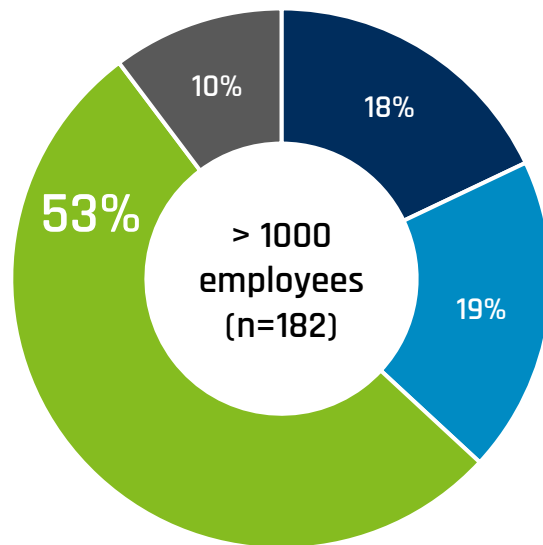
- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

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LEGAL UNCERTAINTY SLOWS DOWN INVESTMENTS BY GERMAN COMPANIES

48% delay investment decisions due to unclear due diligence obligations - even 53% among large companies

To what extent do you agree with the following statement? - The current legal uncertainty on the subject of due diligence delays investment decisions in our company



- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

* The % value is an aggregated value from two scale points

A large container ship is shown from a low angle, with its massive hull and stacks of colorful shipping containers (green, red, blue) dominating the left side of the frame. The ship is sailing on a calm sea under a hazy, orange-tinted sky, suggesting a sunset or sunrise. The ship's hull is dark grey with a grid-like pattern.

THE EFFECT OF REGULATORY REQUIREMENTS ON INVESTMENT DECISIONS AND COMPETITION

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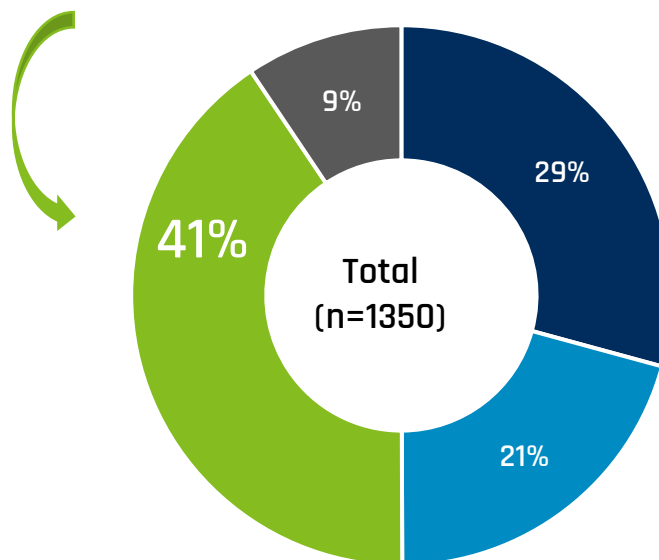
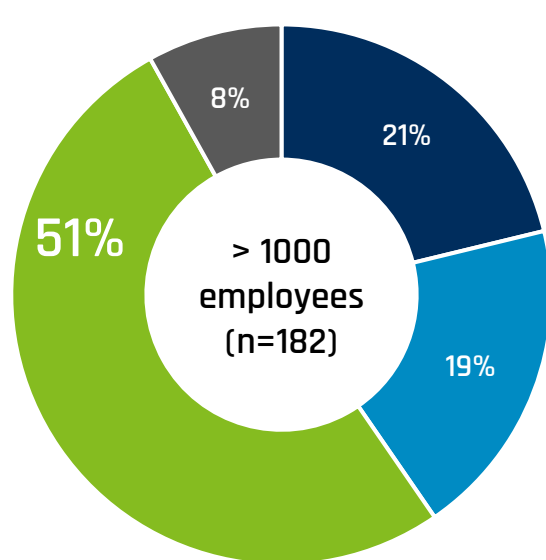
- **The LkSG is effective:** 51% of large companies have invested in the protection of human rights and the environment.
- 44% of German companies see due diligence obligations as a strategic **competitive advantage over the USA or China** in the long term.
- Thanks to mandatory due diligence obligations, **around half of the companies surveyed increasingly prefer suppliers in Europe.**

LKSG & CSDDD DRIVE INVESTMENT IN HUMAN RIGHTS & ENVIRONMENTAL PROTECTION

41% of German companies have already invested - among large companies even one in two (51%)

What impact will the Supply Chain Due Diligence Act (LkSG) and the EU Supply Chain Directive (CSDDD), which is about to be implemented, have on your company's investment decisions? Please evaluate the statement below:

Due to the German Supply Chain Act (LkSG) or in preparation for the EU's Corporate Sustainability Due Diligence Directive (CSDDD), our company has invested in human rights and environmental protection in recent years.



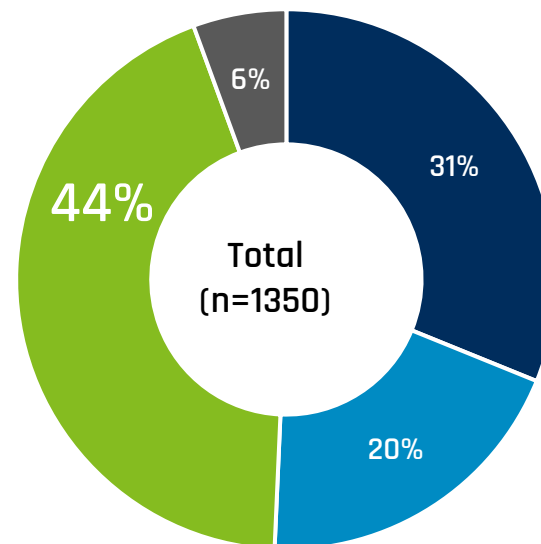
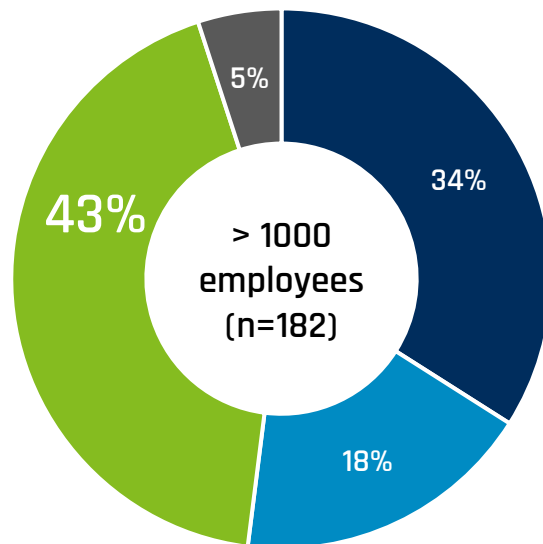
- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

* The % value is an aggregated value from two scale points

CSDDD IS SEEN BY MANY COMPANIES AS A STRATEGIC ADVANTAGE FOR THE EU

44% see the Supply Chain Directive as a competitive advantage over the USA or China in the long term

To what extent do you agree with the following statement? - The introduction of the Corporate Sustainability Due Diligence Directive (CSDDD) will give the EU a strategic competitive advantage over the USA or China in the long term.



- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

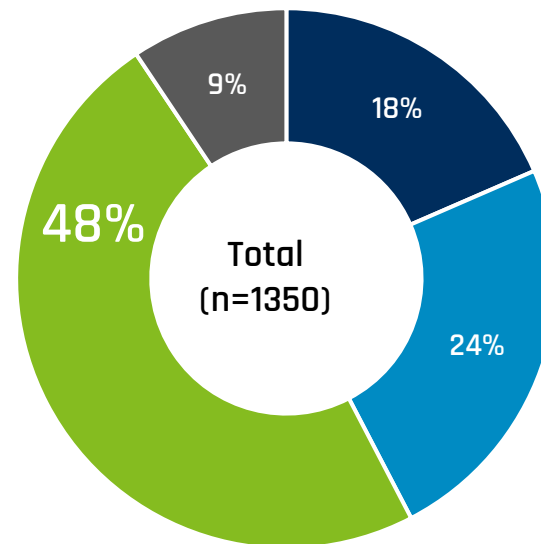
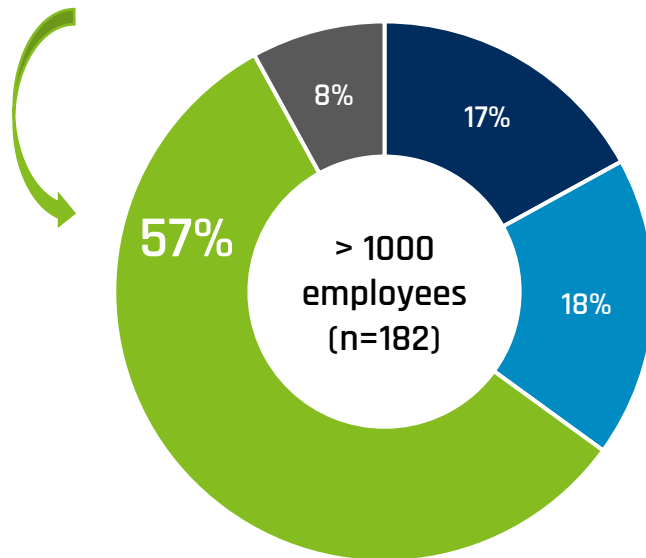
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DUE DILIGENCE OBLIGATIONS PROMOTE REGIONAL SUPPLY CHAINS IN EUROPE

57% of large companies prefer suppliers from Europe because standards are easier to verify

What impact will the Supply Chain Due Diligence Act (LkSG) and the EU Corporate Sustainability Due Diligence Directive (CSDDD), which is about to be implemented, have on your company's investment decisions? Please evaluate the statement below in response to this question:

The statutory due diligence obligations of the LkSG (and in the future the EU Corporate Sustainability Due Diligence Directive (CSDDD)) favor suppliers from the European Economic Area in our company, as compliance with human rights and environmental standards tends to be easier to verify there than in non-European countries.



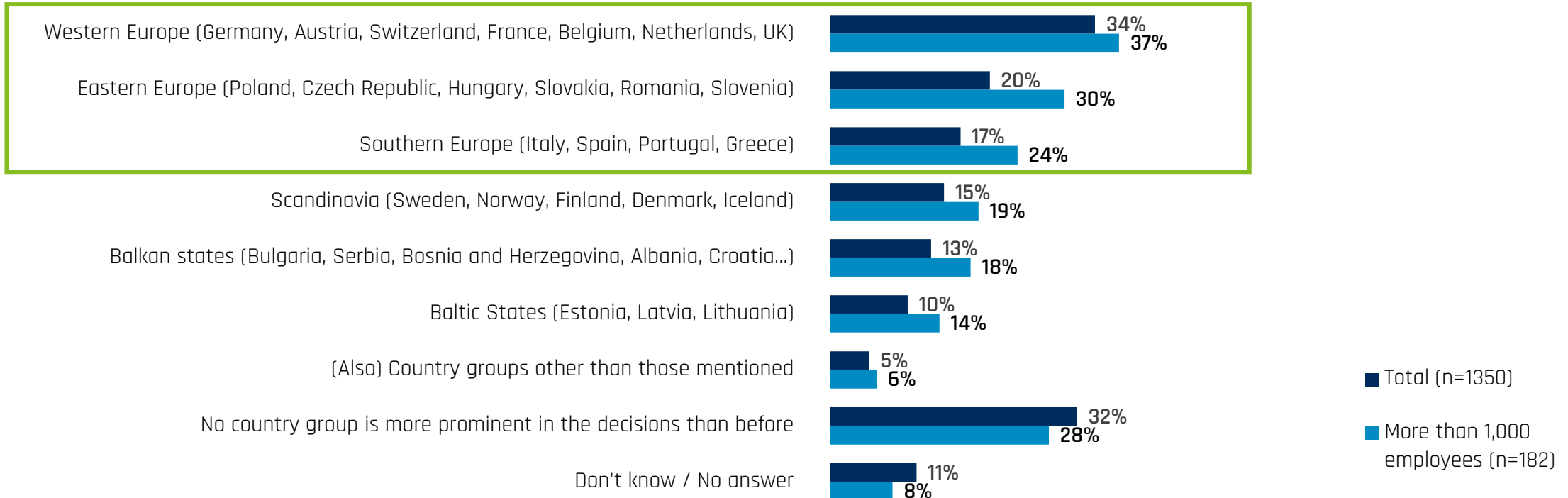
- 1 - 2 (strongly disagree / somewhat disagree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

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SUPPLY CHAINS ARE INCREASINGLY SHIFTING TO EUROPE

Large companies invest more frequently in Eastern or Southern Europe, over a third in Western Europe (37%)

Which country groups, if any, play a greater role in your company's investment or purchasing decisions than in the past due to statutory due diligence obligations? (Multiple answers possible)



A large container ship is shown from a low angle, with its massive hull and stacks of colorful shipping containers (green, red, blue) dominating the left side of the frame. The ship is sailing on a calm sea under a hazy, orange-tinted sky, suggesting a sunrise or sunset. The ship's hull is a dark, metallic grey.

BETWEEN LEGAL CERTAINTY AND RESPONSIBILITY: THE ECONOMIC VIEW OF LIABILITY AND RISK ASSESSMENT

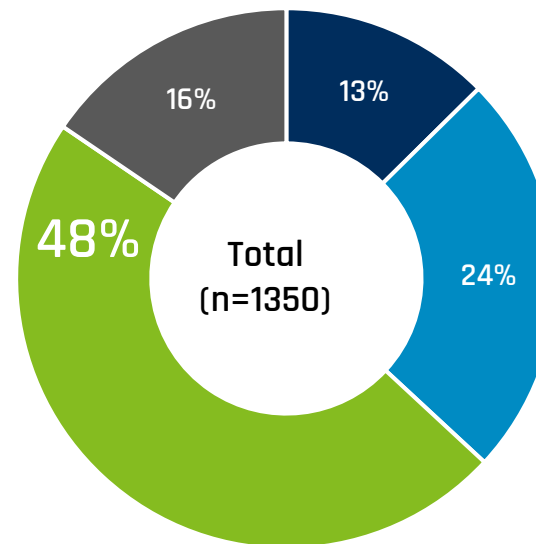
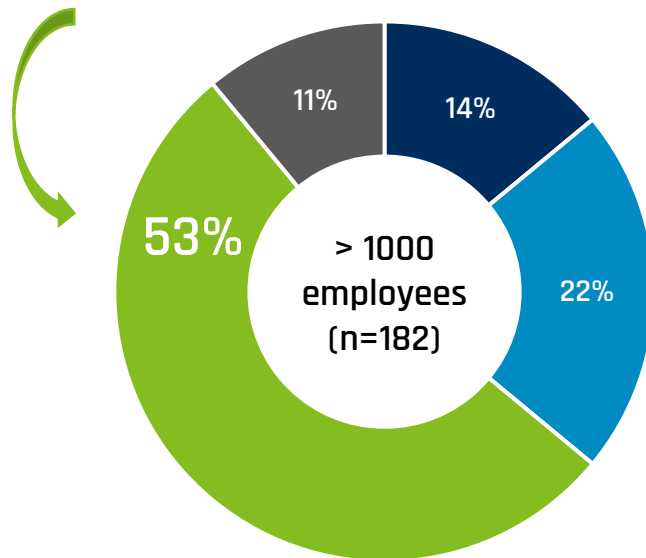
BETWEEN LEGAL CERTAINTY AND RESPONSIBILITY: THE ECONOMIC VIEW OF LIABILITY AND RISK ASSESSMENT

- Almost half of the companies fear **greater legal uncertainty and complexity** as a result of the proposed change in the liability provision through Omnibus.
- **55% of companies** suspect that human rights and environmental risks are most likely to occur with indirect business partners **further down the supply chain**.
- Moving away from the risk-based approach leads to **additional costs for almost half of the companies surveyed**.

COMPANIES EXPECT MORE LIABILITY RISKS DUE TO OMNIBUS

53% of large companies fear growing legal uncertainty and greater complexity, only 14% do not

To what extent do you agree with the following statement? - The omnibus bill wants to abolish the EU-wide harmonization of liability rules. Instead, the tort law of the foreign country in which the damage occurred (e.g. Bangladesh) is to be applied. This will increase complexity and legal uncertainty for companies instead of minimizing it.



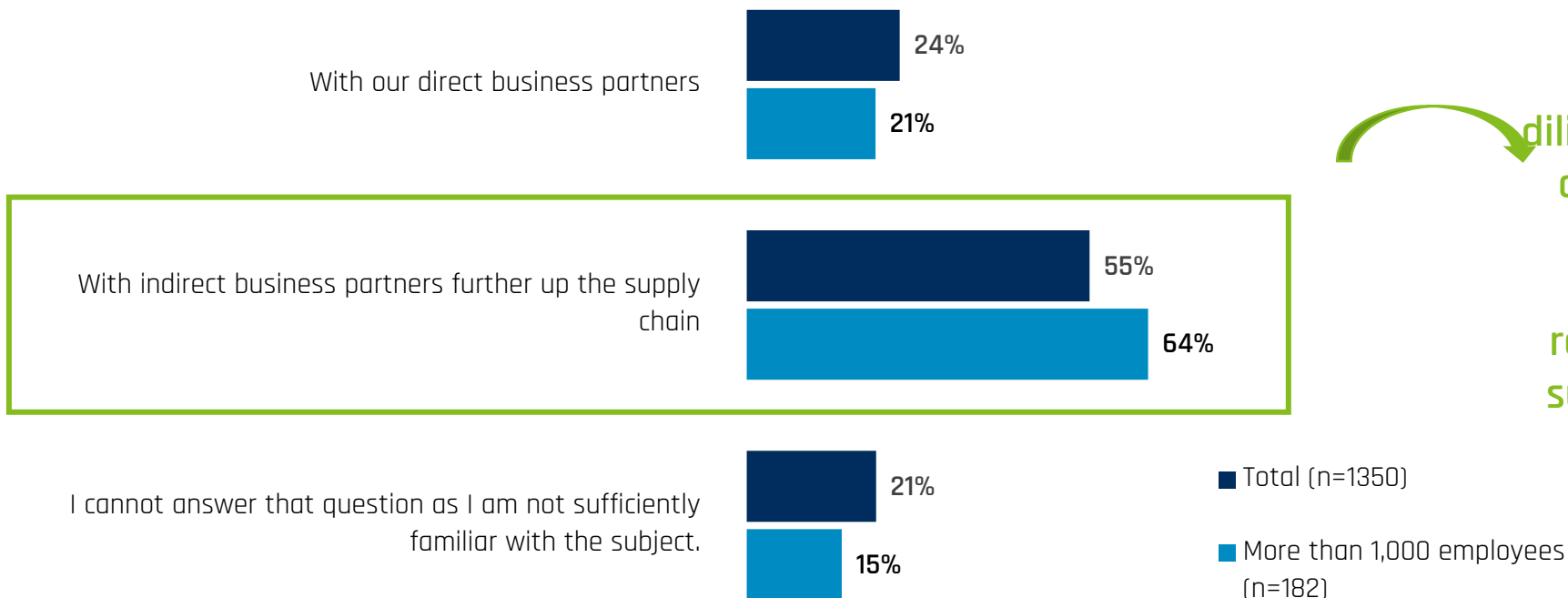
- 1 - 2 (strongly disagree / somewhat agree*)
- 3 (Neither agree nor disagree)
- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

* The % value is an aggregated value from two scale points

COMPANIES SEE RISKS MAINLY WITH INDIRECT BUSINESS PARTNERS

64% of large companies see risks with indirect partners - 55% of all respondents agree

In your opinion, where in your supply chains are human rights or environmental risks most likely to occur?

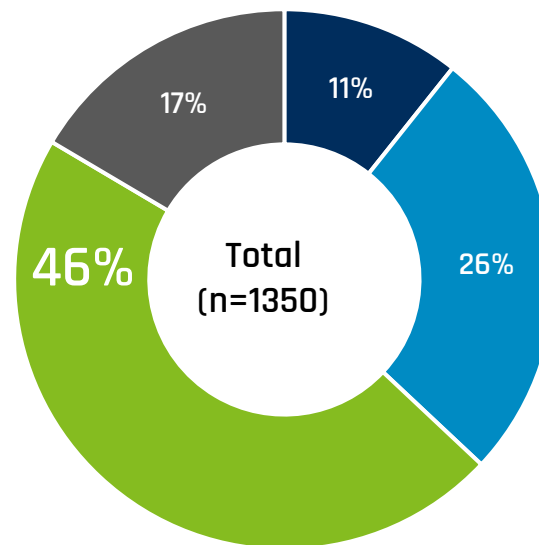
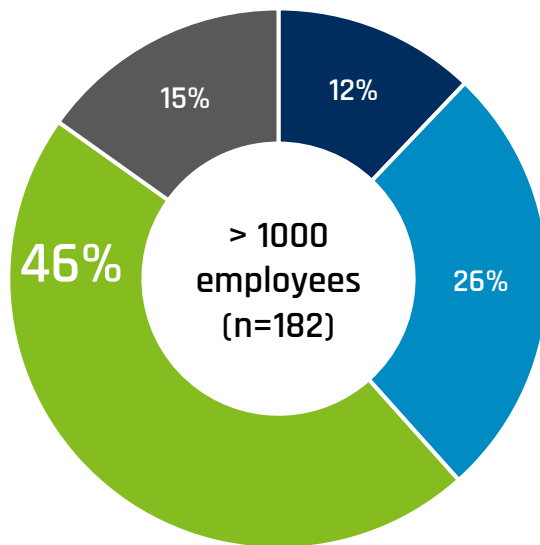


A weakening of due diligence obligations would affect the riskiest areas - instead, clear, implementable requirements for complex supply chains are needed.

COMPANIES EXPECT HIGHER IMPLEMENTATION COSTS DUE TO OMNIBUS

46% see the weakening of the risk-based approach as leading to increasing costs - only 11% do not expect this to happen

To what extent do you agree with the following statement? - With the omnibus proposal, the Commission is weakening the risk-based approach to due diligence obligations and deviating from the OECD guidelines. This will lead to additional costs for our company.

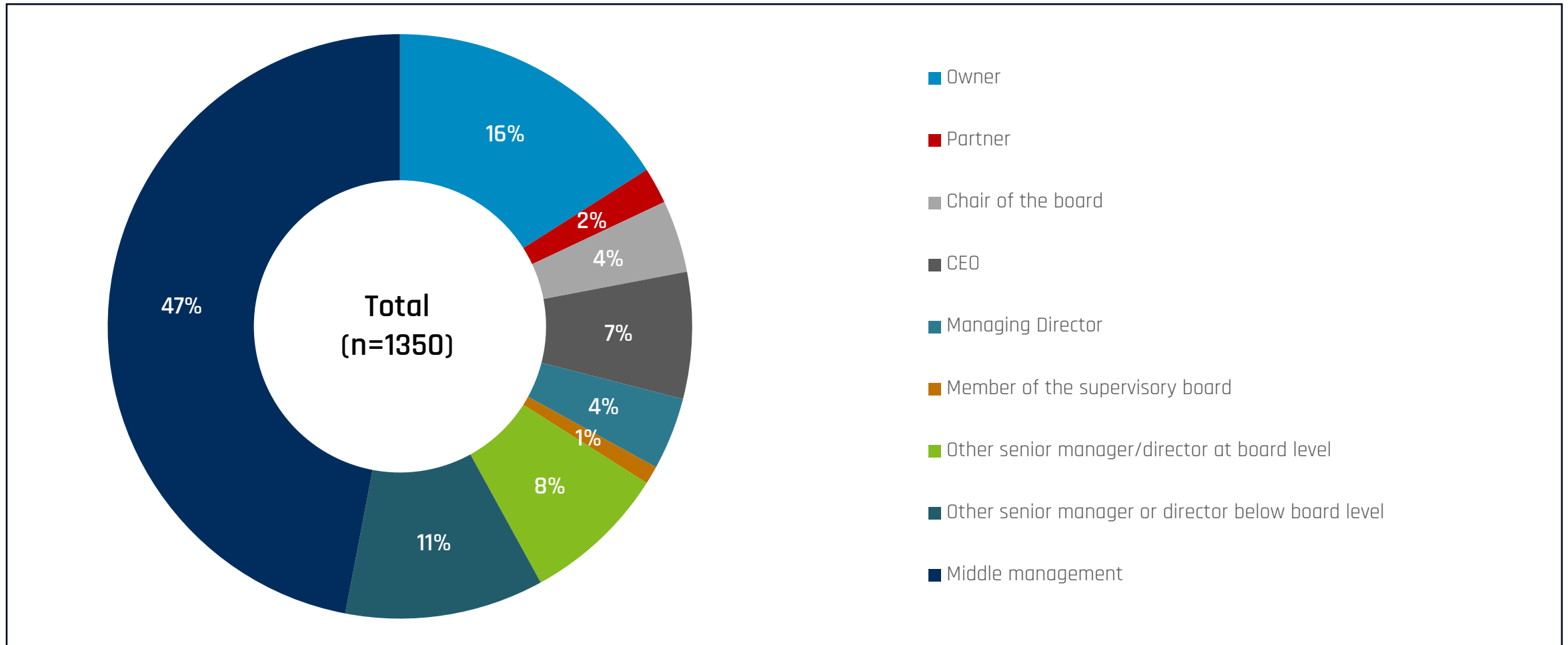


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- 4 - 5 (Agree somewhat/ completely*)
- Don't know / no answer

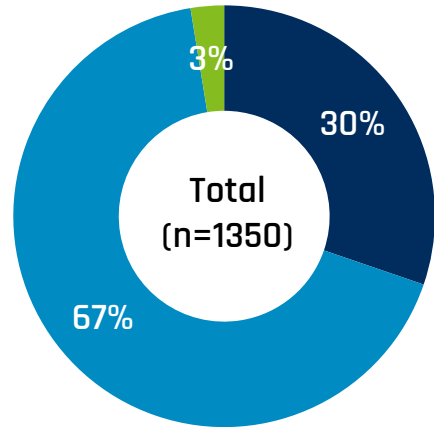
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DEMOGRAPHIC DATA

PARTICIPANTS BY MANAGEMENT LEVEL

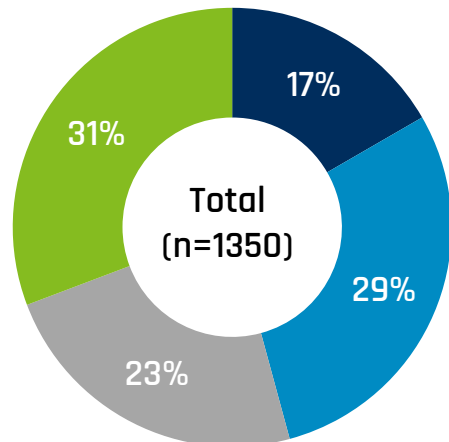


PARTICIPANTS BY EDUCATIONAL QUALIFICATION, AGE GROUP AND REGION



... by educational qualification

- Vocational training or equivalent qualification
- University or university of applied sciences degree
- Not specified



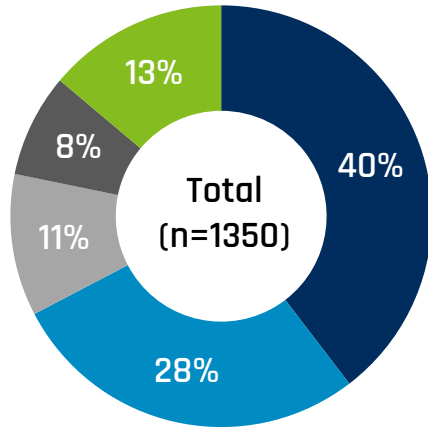
... by age group

- 18 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 70 years

... by region

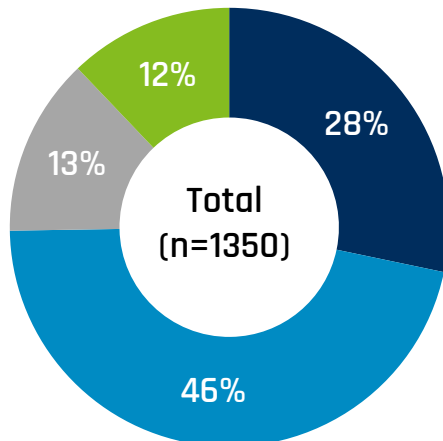
Bremen, Hamburg, Lower Saxony, Schleswig-Holstein (Nielsen 1)	15%
North Rhine-Westphalia (Nielsen 2)	21%
Hesse, Rhineland-Palatinate, Saarland (Nielsen 3a)	13%
Baden-Württemberg (Nielsen 3b)	11%
Bavaria (Nielsen 4)	18%
Berlin (Nielsen 5)	11%
Brandenburg, Mecklenburg-Western Pomerania, Saxony-Anhalt (Nielsen 6)	6%
Saxony, Thuringia (Nielsen 7)	6%
Not in Germany	0%

PARTICIPANTS' COMPANIES



... by number of employees

- 2 to 49 employees
- 50 to 249 employees
- 250 to 499 employees
- 500 to 999 employees
- 1000 and more employees



... by sales volume

- under 1 million
- 1 million to 50 million
- 51 million to 500 million
- more than 500 million

... by industry

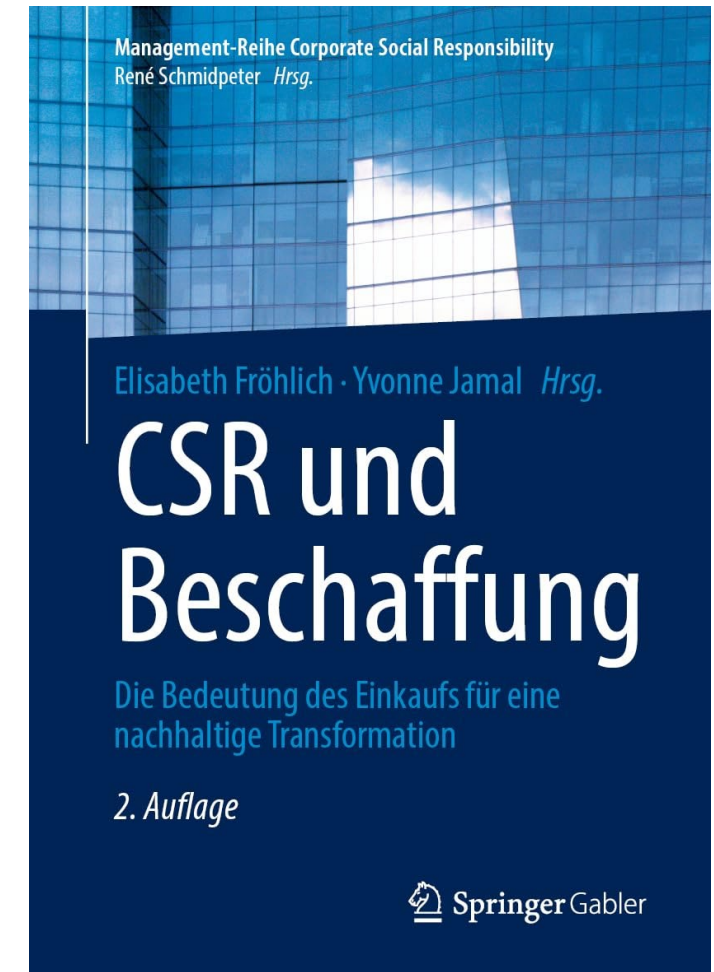
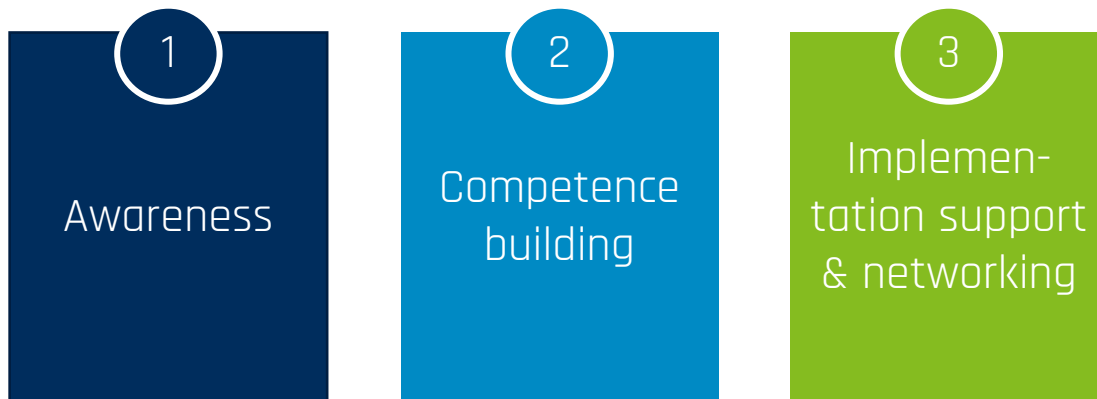
IT and other technology services	13%
Wholesale and retail trade	9%
Construction and building industry	8%
Financial services	6%
Financial accounting/accounting	6%
Travel, tourism, hospitality, catering	6%
Production: Other	6%
Other: Other	6%
Healthcare	5%
Production: Mechanical engineering and heavy industry	4%
Business-related services	4%
Transportation	4%
Engineering, design, architecture	3%
Education and scientific research	2%
Production: technology, IT, electronics	3%
Real estate	2%
Media and communication	2%
Arts, entertainment, leisure	2%
Agriculture	1%
Law	1%
Maintenance, repair and servicing	1%
Production: automotive industry	1%
Mining, extraction of raw materials, forestry	1%
Does not apply	1%

ABOUT THE JARO INSTITUTE

JARO INSTITUTE FOR SUSTAINABILITY AND DIGITALIZATION E.V. (REGISTERED ASSOCIATION)

We want to ensure that sustainable operations become the standard for the economy

- Non-profit association based in Berlin, 62 members
- Work focus: sustainable procurement
- JARO Sustainable Procurement Performance Indicators (SPPI) & Scorecard: www.sppi-scorecard.com
- JARO Podcast MACHTFRAGE: www.jaro-institut.de/podcast
- JARO Academy eLearning: www.jaro-academy.com



A large container ship is shown from a low angle, with its side and stacked containers visible. The ship is moving through a body of water, leaving a white wake. The sky is a warm, orange-brown color, suggesting a sunset or sunrise. The ship's hull is dark grey, and the containers are in various colors like green, red, and blue.

MANY THANKS

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