REPORT


Committee on Economic and Monetary Affairs
Committee on the Environment, Public Health and Food Safety

Rapporteurs: Bas Eickhout, Sirpa Pietikäinen

(Joint committee procedure – Rule 55 of the Rules of Procedure)
Symbols for procedures

* Consultation procedure
*** Consent procedure
***I Ordinary legislative procedure (first reading)
***II Ordinary legislative procedure (second reading)
***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in **bold italics** in the left-hand column. Replacements are indicated in **bold italics** in both columns. New text is indicated in **bold italics** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in **bold italics**. Deletions are indicated using either the ** symbol or strikeout. Replacements are indicated by highlighting the new text in **bold italics** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.
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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION


(Ordinary legislative procedure: first reading)

The European Parliament,

having regard to the Commission proposal to Parliament and the Council (COM(2018)0353),

having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0207/2018),

having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

having regard to the opinion of the European Economic and Social Committee of 17 October 2018¹,

having regard to Rule 59 of its Rules of Procedure,

having regard to the joint deliberations of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Food Safety under Rule 55 of the Rules of Procedure,

having regard to the report of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Food Safety (A8-0175/2019),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation
Recital 6

¹ OJ C ... / Not yet published in the Official Journal.
(6) In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth' setting up an ambitious and comprehensive strategy on sustainable finance. One of the objectives set out in that Action Plan is to reorient capital flows towards sustainable investment in order to achieve sustainable and inclusive growth. The establishment of a unified classification system for sustainable activities is the most important and urgent action envisaged by the Action Plan. The Action Plan recognises that the shift of capital flows towards more sustainable activities has to be underpinned by a shared understanding of what 'sustainable' means. As a first step, clear guidance on activities qualifying as contributing to environmental objectives, should help inform investors about the investments that fund environmentally sustainable economic activities. Further guidance on the activities contributing to other sustainability objectives, including social objectives, may be developed at a later stage.


Amendment 2

Proposal for a regulation
Recital 6 a (new)

Text proposed by the Commission

(6a) While acknowledging the urgency of addressing climate change, a narrow focus on carbon exposure could have negative spill-overs by redirecting investment flows to targets that carry other environmental risks. Hence, adequate safeguards need to be put in place to ensure that the economic

Amendment

(6a) While acknowledging the urgency of addressing climate change, a narrow focus on carbon exposure could have negative spill-overs by redirecting investment flows to targets that carry other environmental risks. Hence, adequate safeguards need to be put in place to ensure that the economic
activities are not harming other environmental objectives, such as biodiversity and energy efficiency. Investors need comparable and holistic information regarding environmental risks and their impact, in order to assess their portfolios beyond carbon exposure.

Amendment 3
Proposal for a regulation
Recital 6 b (new)

Text proposed by the Commission

(6b) Given the urgency in several interlinked fields of environmental degradation and resource overconsumption, there is a need to take a systemic approach to exponentially growing negative trends, such as the loss of biodiversity, the global overconsumption of resources, the appearance of new threats including hazardous chemicals and their cocktails, nutrition scarcity, climate change, ozone depletion, ocean acidification, fresh water depletion, and land system change. Hence, it is necessary that the actions to be taken are forward-looking and up-to-scale to the upcoming challenges. The scale of those challenges requires a holistic and ambitious approach and the application of a stringent precautionary principle.

Amendment 4
Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

(7a) The European Parliament Own Initiative Report on Sustainable Finance of 29 May 2018 lays down essential elements of sustainability indicators and
taxonomy as an incentive for sustainable investment. Consistency should be ensured among relevant legislation.

Amendment 5
Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

(8a) The scale of the challenge entails gradually moving the entire financial system to support the economy to function on a sustainable basis. To that end, sustainable finance needs to be brought into the mainstream, and consideration needs to be made of sustainability impact in respect of financial products and services.

Amendment 6
Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) Offering financial products which pursue environmentally sustainable objectives is an effective way of channelling private investments into sustainable activities. National requirements for marketing as sustainable investments financial products and corporate bonds, in particular requirements set out to allow the relevant market actors to use a national label, aim to enhance investor confidence, to create visibility and to address concerns about “greenwashing”. Greenwashing refers to the practice of gaining an unfair competitive advantage by marketing a financial product as environment-friendly, when in fact it does not meet basic environmental standards. Currently a few Member States have in place labelling schemes. They build on

(9) Offering financial products which pursue environmentally sustainable objectives is an effective way of gradually shifting private investments from activities with negative environmental impact and towards more sustainable activities. National requirements for marketing as sustainable investments financial products, services and corporate bonds, as defined in this Regulation, in particular requirements set out to allow the relevant market actors to use a national label, aim to enhance investor confidence and awareness of risks, to create visibility and to address concerns about “greenwashing”. Greenwashing refers to the practice of gaining an unfair competitive advantage by marketing a financial product as environment-friendly, when in fact it does
different taxonomies classifying environmentally sustainable economic activities. Given the political commitments under the Paris Agreement and at Union level, it is likely that more and more Member States will set up labelling schemes or other requirements on market actors in respect of financial products or corporate bonds marketed as environmentally sustainable. In doing so, Member States would be using their own national taxonomies for the purposes of determining which investments qualify as sustainable. If such national requirements are based on different criteria as to which economic activities qualify as environmentally sustainable, investors will be discouraged from investing across borders, due to difficulties in comparing the different investment opportunities. In addition, economic operators wishing to attract investment from across the Union would have to meet different criteria in the various Member States in order for their activities to qualify as environmentally sustainable for the purposes of the different labels. The absence of uniform criteria will thus increase costs and create a significant disincentive for economic operators, amounting to an impediment to access cross-border capital markets for sustainable investments. The barriers to access to cross-border capital markets for the purposes of raising funds for sustainable projects are expected to grow further. The criteria for determining whether an economic activity is environmentally sustainable should therefore be harmonised at Union level, in order to remove obstacles to the functioning of the internal market and prevent their future emergence. With such harmonisation economic operators will find it easier to raise funding for their green activities across borders, as their economic activities can be compared against uniform criteria in order to be selected as underlying assets for environmentally sustainable investments. It will therefore facilitate attracting not meet basic environmental standards. Currently a few Member States have in place labelling schemes. They build on different taxonomies classifying environmentally sustainable economic activities. Given the political commitments under the Paris Agreement and at Union level, it is likely that more and more Member States will set up labelling schemes or other requirements on market actors in respect of financial products or corporate bonds marketed as environmentally sustainable. In doing so, Member States would be using their own national taxonomies for the purposes of determining which investments qualify as sustainable. If such national requirements are based on different criteria and indicators as to which economic activities qualify as environmentally sustainable, investors will be discouraged from investing across borders, due to difficulties in comparing the different investment opportunities. In addition, economic operators wishing to attract investment from across the Union would have to meet different criteria in the various Member States in order for their activities to qualify as environmentally sustainable for the purposes of the different labels. The absence of uniform criteria and indicators will direct investments in an environmentally ineffective, and in some cases counterproductive, manner and lead to unmet environmental and sustainability targets. That absence thus increases costs and creates a significant disincentive for economic operators, amounting to an impediment to access cross-border capital markets for sustainable investments. The barriers to access to cross-border capital markets for the purposes of raising funds for sustainable projects are expected to grow further. The criteria and indicators for determining the degree of sustainability of an economic activity should therefore be gradually harmonised at Union level, in order to remove obstacles to the functioning of the internal
investment across borders within the Union.

With such harmonisation of information, of metrics and of criteria, economic operators will find it easier to raise funding for their environmentally sustainable activities across borders, as their economic activities can be compared against uniform criteria and indicators in order to be selected as underlying assets for environmentally sustainable investments. It will therefore facilitate attracting investment across borders within the Union.

Amendment 7
Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission

(9a) In order for the Union to reach its environmental and climate commitments, private investments need to be mobilised. Achieving this requires long-term planning as well as regulatory stability and predictability for investors. In order to guarantee a coherent policy framework for sustainable investments, it is therefore important that the provisions of this Regulation build upon existing Union legislation.

Amendment 8
Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Moreover if market participants do not provide any explanation to investors of how the activities they invest in contribute to environmental objectives, or if they use different concepts in their explanation of what is a ‘sustainable’ economic activity, investors will find it
disproportionately burdensome to check and compare these different financial products. It has been found that this discourages investors from investing into green financial products. Furthermore, the lack of investor confidence has major detrimental effects on the market for sustainable investment. It has further been shown that national rules or market-based initiatives taken to tackle this issue within national borders will lead to fragmenting the internal market. If financial market participants disclose how the financial products they claim are environment-friendly meet environmental objectives, and they use for such disclosures common criteria across the Union of what is an environmentally sustainable economic activity, this will help investors compare environment-friendly investment opportunities across borders. Investors will invest in green financial products with higher confidence across the Union, improving the functioning of the internal market.

Amendment 9

Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) In order to deliver a meaningful environmental and broader sustainability impact, to decrease unnecessary administrative burden on financial market participants and other stakeholders and to facilitate the growth of European financial markets funding sustainable economic activities, the taxonomy should be based on harmonised, comparable and uniform criteria and indicators, including at least environmental sustainability of an economic activity, investors will find it disproportionately burdensome to check and compare different financial products. It has been found that this discourages investors from investing into sustainable financial products. Furthermore, the lack of investor confidence has major detrimental effects on the market for sustainable investment. It has further been shown that national rules or market-based initiatives taken to tackle this issue within national borders will lead to fragmenting the internal market. If financial market participants disclose how the financial products they claim are environment-friendly meet environmental objectives, and they use for such disclosures common criteria across the Union of what is an environmentally sustainable economic activity, this will help investors compare the environmental impact of investment opportunities across borders and will incentivise investee companies to make their business models more sustainable. Investors will invest in green financial products with higher confidence across the Union, improving the functioning of the internal market.
the circular economy indicators. Those indicators should be made consistent with the unified life cycle assessment methodology and be applied across Union regulatory initiatives. They should be the basis for the assessment of economic activities and investments risk and impact on the environment. Any overlap in regulation must be avoided which would not be in line with the principles of better regulation and would not be applied in a proportionate manner and the aim to create a consistent terminology and a clear regulatory framework. Any unnecessary burdening of both, authorities and financial institutions should also be avoided. In the same perspective, the scope and use of the technical screening criteria as well as the link to other initiatives should be clearly defined before the taxonomy and pertaining criteria enter into force.

Setting harmonised criteria for environmentally sustainable economic activities should take into account the competence of the Member States in different policy areas. The requirements of this Regulation should apply in a proportionate manner to small and non-complex institutions as defined under this Regulation.

Amendment 10
Proposal for a regulation
Recital 10 b (new)

Text proposed by the Commission

(10b) The indicators should be harmonised based on existing undertakings, such as the work of the Commission, the European Environmental Agency, and the OECD, among others, and should capture environmental impact on CO2 and other emissions, biodiversity, production of waste, the use of energy and renewable
energy, raw materials, water, and direct and indirect land use, as laid out in the Commission monitoring framework on the circular economy (COM/2018/29 final), the EU action plan for the Circular Economy (COM/2015/0614 final) and in the European Parliament’s resolution of 9 July 2015 on resource efficiency: moving towards a circular economy (2014/2208(INI)). Furthermore, the indicators should be designed also taking into account the recommendations of the Support to Circular Economy Financing Expert Group of the European Commission. The Commission should evaluate how to integrate the work of this expert group with the TEG. Indicators should take into account internationally recognised sustainable standards.

Amendment 11
Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) To address existing obstacles to the functioning of the internal market and to prevent the emergence of such obstacles in the future, Member States should be required to use a common concept of environmentally sustainable investment when setting up requirements for market actors for the purpose of labelling financial products or corporate bonds marketed as environmentally sustainable at national level. For the same reasons, fund managers and institutional investors that hold themselves out as pursuing environmental objectives should use the same concept of environmentally sustainable investment when disclosing how they pursue those objectives.

Amendment

(11) To address existing obstacles to the functioning of the internal market and to prevent the emergence of such obstacles in the future, Member States and the Union should be required to use a common concept regarding the degree of environmental sustainability of investments when setting up requirements for market actors for the purpose of labelling financial products, services or corporate bonds marketed as environmentally sustainable at national level. For the same reasons, fund managers and institutional investors that hold themselves out as pursuing environmental objectives should use the same concept of environmentally sustainable investment and the same indicators, metrics and criteria for calculating the environmental impact when disclosing how they pursue
those objectives.

Amendment 12
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) Establishing criteria for environmentally sustainable economic activities may encourage firms to disclose on their websites, on a voluntary basis, information on the environmentally sustainable economic activities they carry out. This information will not only help relevant actors in the financial markets to easily identify which firms carry out environmentally sustainable economic activities, but it will also facilitate for these firms to raise funding for their green activities.

Amendment

(12) The information on the environmental impact of activities will help relevant actors in the financial markets to easily identify and determine the degree of environmental sustainability of the economic activities carried out by firms, but it will also facilitate for firms to raise funding.

Amendment 13
Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) A Union classification of environmentally sustainable economic activities should enable the development of future Union policies, including Union-wide standards for environmentally sustainable financial products and eventually the establishment of labels that formally recognise compliance with those standards across the Union. Uniform legal requirements for considering investments as environmentally sustainable investments, based on uniform criteria for environmentally sustainable economic activities, are necessary as a reference for future Union legislation aiming at enabling those investments.

Amendment

(13) Union-wide indicators relevant for the determination of the environmental impact of economic activities should enable the development of future Union policies and strategies, including Union-wide standards for environmentally sustainable financial products and eventually the establishment of labels that formally recognise compliance with those standards across the Union, as well as to be the basis for other economic, regulatory and prudential measures. Uniform legal requirements for considering the degree of environmental sustainability of investments, based on uniform criteria for determining the degree of environmental sustainability of economic activities and
common indicators for assessing the environmental impact of investments, are necessary as a reference for future Union legislation aiming at facilitating the shift from investments with a negative environmental impact to investments with a positive impact.

Amendment 14

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) In the context of achieving SDGs in the Union, policy choices such as the creation of a European Fund for Strategic Investment, have proven to be effective in contributing to channel private investment alongside public spending towards sustainable investments. Regulation (EU) 2015/1017 of the European Parliament and of the Council\(^27\) specifies a 40% climate investment target for infrastructure and innovation projects under the European Fund for Strategic Investment. Common criteria for the sustainability of economic activities could underpin future similar initiatives of the Union supporting investment pursuing climate-related or other environmental objectives.

Amendment

(14) In the context of achieving SDGs in the Union, policy choices such as the creation of a European Fund for Strategic Investment, could be effective in contributing to mobilise and channel private investment alongside public spending towards sustainable investments. Regulation (EU) 2015/1017 of the European Parliament and of the Council\(^27\) specifies a 40% horizontal climate investment target for infrastructure and innovation projects under the European Fund for Strategic Investment. Common criteria for the sustainability of economic activities and common indicators for the assessment of environmental impact may underpin future similar initiatives of the Union mobilising investment pursuing climate-related or other environmental objectives.

Amendment 15
Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) To avoid market fragmentation as well as harm to consumer interests due to divergent notions of environmentally sustainable economic activities, national requirements that market actors should comply with when they wish to market financial products or corporate bonds as being environmentally sustainable, should build on the uniform criteria for environmentally sustainable economic activities. Those market actors include financial market participants offering “green” financial products and non-financial companies issuing “green” corporate bonds.

Amendment

(15) To avoid market fragmentation as well as harm to consumer interests due to divergent notions regarding the degree of environmental sustainability of economic activities, national requirements that market actors should comply with when they wish to market financial products or corporate bonds as defined in this Regulation as being environmentally sustainable, should build on the uniform criteria for environmentally sustainable economic activities. Those market actors include financial market participants offering sustainable financial products or services and non-financial companies issuing sustainable corporate bonds.

Amendment 16
Proposal for a regulation
Recital 17

Text proposed by the Commission

(17) To avoid circumvention of the disclosure obligation, that obligation should also apply where financial products are offered as having similar characteristics as environmentally sustainable investments, including those having as their target environmental protection in a broad sense. Financial market participants should not be required to invest only in environmentally sustainable economic activities determined in accordance with the technical screening criteria set out in this Regulation. They should be encouraged to inform the Commission if they consider that an economic activity

Amendment

(17) To avoid circumvention of the disclosure obligation, that obligation should also apply to all financial products are offered as having similar characteristics as environmentally sustainable investments, including those having as their target environmental protection in a broad sense. Financial market participants should not be required to invest only in environmentally sustainable economic activities determined in accordance with the technical screening criteria set out in this Regulation. Financial market participants and other actors should be encouraged to inform the Commission if
that does not meet the technical screening criteria, or for which such criteria have not been established yet, should be considered environmentally sustainable, to help the Commission to evaluate the appropriateness of complementing or updating the technical screening criteria.

Amendment 17
Proposal for a regulation
Recital 18

(18) For the purposes of determining whether an economic activity is environmentally sustainable, an exhaustive list of environmental objectives should be laid down.

Amendment

(18) For the purposes of determining the degree of environmental sustainability of an economic activity, an exhaustive list of environmental objectives based on indicators measuring the environmental impact should be laid down, taking into account its impact on the entire industrial value chain and ensuring coherence with existing Union legislation such as the Clean Energy package.

Amendment 18
Proposal for a regulation
Recital 20

(20) For each environmental objective, uniform criteria for considering economic activities to be substantially contributing to that objective should be laid down. One element of the uniform criteria should be to avoid significant harm to any of the environmental objectives set out in this Regulation. This is in order to avoid that investments are considered environmentally sustainable although the economic activities benefitting from those investments cause harm to the environment.

Amendment

(20) For each environmental objective, uniform criteria based on information provided by means of harmonised indicators for considering economic activities to be substantially contributing to that objective should be laid down. One element of the uniform criteria should be to avoid significant harm to any of the environmental objectives set out in this Regulation. This is in order to avoid that investments are considered environmentally sustainable although the
to an extent outweighing their contribution to an environmental objective. The conditions for substantial contribution and for not causing significant harm should enable investments into environmentally sustainable economic activities to make a real contribution to the environmental objectives.

Amendment 19
Proposal for a regulation
Recital 22

Text proposed by the Commission

(22) Given the specific technical details needed to assess the environmental impact of an economic activity and the fast-changing nature of both science and technology, the criteria of environmentally sustainable economic activities should be adapted regularly to those changes. For the criteria to be up to date, based on scientific evidence and input from experts as well as relevant stakeholders, the conditions for substantial contribution and significant harm should be specified with more granularity for different economic activities and should be updated regularly. To that purpose, granular and calibrated technical screening criteria for the different economic activities should be laid down by the Commission, on the basis of the technical input of a multi-stakeholders Platform on Sustainable Finance.

Amendment

(22) Given the specific technical details needed to assess the environmental impact of an economic activity and the fast-changing nature of both science and technology, the criteria relevant for determining the degree of environmental sustainability of economic activities should be adapted regularly to those changes. For the criteria and indicators to be up to date, based on scientific evidence and input from experts as well as relevant stakeholders, the conditions for substantial contribution and significant harm should be specified with more granularity for different economic activities and should be updated regularly. To that purpose, granular and calibrated technical screening criteria and a set of harmonised indicators for the different economic activities should be laid down by the Commission, on the basis of the technical input of a multi-stakeholders Platform on Sustainable Finance.

Amendment 20
Proposal for a regulation
Recital 23

Text proposed by the Commission

(23) Some economic activities have a negative impact on the environment, and a substantial contribution to one or more environmental objectives can be achieved by reducing that negative impact. For those economic activities, it is appropriate to set out technical screening criteria that require a substantial improvement in environmental performance compared to, inter alia, the industry average. Those criteria should consider also the long term impact of a specific economic activity.

Amendment

(23) Some economic activities have a negative impact on the environment, and a substantial contribution to one or more environmental objectives can be achieved by reducing that negative impact. For those economic activities, it is appropriate to set out technical screening criteria that require a substantial improvement in environmental performance compared to, inter alia, the industry average in order to consider whether the activity may deliver a substantial contribution to one or more environmental objectives. Those criteria should consider also the long term impact (i.e. more than 3 years) of a specific economic activity in particular the environmental benefits of products and services and the contribution of intermediate products, and thus provide an assessment of the impact of all the phases of manufacturing and use throughout the value chain and life cycle.

Amendment 21

Proposal for a regulation

Recital 24

Text proposed by the Commission

(24) An economic activity should not be considered environmentally sustainable if it causes more harm to the environment than the benefits it brings. The technical screening criteria should identify the minimum requirements necessary to avoid a significant harm to other objectives. When establishing and updating the technical screening criteria, the Commission should ensure that those criteria are based on available scientific evidence and are updated regularly. Where scientific evaluation does not allow for the risk to be determined with sufficient

Amendment

(24) An economic activity should not be considered environmentally sustainable if it does not bring about a net benefit to the environment. The technical screening criteria should identify the minimum requirements necessary to avoid a significant harm to other objectives. When establishing and updating the technical screening criteria, the Commission should ensure that those criteria are reasonable, proportionate and based on available scientific evidence and take account of the whole value chain and the life cycle of technologies. It should also ensure that
certainty, the precautionary principle should apply, in line with Article 191 TFEU. 

Amendment 22
Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) When establishing and updating the technical screening criteria the Commission should take into account the relevant Union law, as well as non-legislative instruments of the Union already in place, including the Regulation (EC) No 1221/2009 of the European Parliament and of the Council, the EU Green Public Procurement criteria and the on-going work on Product and Organisation Environmental Footprint rules. To avoid unnecessary inconsistencies with classifications of economic activities that already exist for other purposes, the Commission should also take into account the statistical classifications relating to the Environmental Goods and Services Sector, namely the Classification of Environmental Protection Activities and Expenditure (CEPA) and the Classification of Resource Management Activities (CReMA). 

Amendment

(25) When establishing and updating the technical screening criteria and a set of harmonised indicators the Commission should take into account the relevant Union law, as well as non-legislative instruments of the Union already in place, including the Regulation (EC) No 1221/2009 of the European Parliament and of the Council, the EU Green Public Procurement criteria, the Commission Circular Economy Platform, the European Platform on Life Cycle Assessment, and the on-going work on Product and Organisation Environmental Footprint rules. To avoid unnecessary inconsistencies with classifications of economic activities that already exist for other purposes, the Commission should also take into account the statistical classifications relating to the Environmental Goods and Services Sector, namely the Classification of Environmental Protection Activities and Expenditure (CEPA) and the Classification of Resource Management Activities (CReMA). 

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Amendment 23
Proposal for a regulation
Recital 26

Text proposed by the Commission

(26) When establishing and updating the technical screening criteria the Commission should also take into account the specificities of the infrastructure sector and take into account environmental, social and economic externalities within a cost-benefit analysis. In that regard, the Commission should consider the work of international organisations, such as the OECD, relevant Union legislation and standards, including Directive 2001/42/EC of the European

Amendment

(26) When establishing and updating the technical screening criteria and harmonised indicators the Commission should also take into account the specificities of the different sectors and take into account environmental, social and economic externalities within a cost-benefit analysis. In that regard, the Commission should consider the work of international organisations, such as the OECD, relevant Union legislation and standards, including Directive 2001/42/EC


47
Amendment 24
Proposal for a regulation
Recital 26 a (new)

Text proposed by the Commission

(26a) In defining the technical screening criteria, the Commission should also take into account transitional measures towards activities that support the transition to a more sustainable, low-carbon economy. For companies that are currently engaged in economic activities that are highly damaging to the environment there should be incentives to make a rapid transition to environmentally sustainable, or at least environmentally unproblematic status. The technical screening criteria should encourage such transition processes where they are happening. If the major part of the undertakings that conduct a particular harmful activity are demonstrably engaged in such a transition, the screening criteria may take this into account. The existence of serious transition efforts can be demonstrated through, among other things, sustained research and development efforts, large investment capital expenditure projects in new and more environmentally sustainable technologies, or concrete transition plans in at least the early stages of implementation.

Amendment 25
Proposal for a regulation
Recital 27

Text proposed by the Commission

(27) To avoid distorting competition when raising financing for environmentally sustainable innovation and to avoid
sustainable economic activities, the technical screening criteria should ensure that all relevant economic activities within a specific sector can qualify as environmentally sustainable and are treated equally if they contribute equally towards one or more of the environmental objectives laid out in this Regulation. The potential capacity to contribute towards those environmental objectives may however vary across sectors, which should be reflected in the criteria. However, within each sector, those criteria should not unfairly disadvantage certain economic activities over others if the former contribute towards the environmental objectives to the same extent as the latter.

distorting competition when raising financing for environmentally sustainable economic activities, the technical screening criteria should ensure that all relevant economic activities within macro-sectors (i.e. NACE sectors such as agriculture, forestry and fishing, manufacturing, electricity, gas, steam and air conditioning supply, construction, transportation and storage services) can qualify as environmentally sustainable and are treated equally if they contribute equally towards one or more of the environmental objectives laid out in this Regulation, while not significantly harming any other environmental objectives under Articles 3 and 12. The potential capacity to contribute towards those environmental objectives may however vary across sectors, which should be reflected in the screening criteria. However, within each economic macro-sector, those criteria should not unfairly disadvantage certain economic activities over others if the former contribute towards the environmental objectives to the same extent as the latter, while not significantly harming any other environmental objectives referred to in Articles 3 and 12.

Amendment 26

Proposal for a regulation
Recital 27 a (new)

Text proposed by the Commission

(27a) Environmentally sustainable activities are the result of technologies and products developed all along the value-chain. For this reason, the technical screening criteria should consider the role of the whole value-chain, from the processing of raw materials to the final product and its waste phase, in the final delivery of environmentally sustainable activities.
**Amendment 27**

Proposal for a regulation  
Recital 27 b (new)

*Text proposed by the Commission*

(27b) To avoid disrupting well-functioning value-chains, the technical screening criteria should consider that environmentally sustainable activities are enabled by technologies and products developed by multiple economic actors.

**Amendment 28**

Proposal for a regulation  
Recital 28

*Text proposed by the Commission*

(28) When establishing technical screening criteria, the Commission should assess whether adoption of those criteria for environmentally sustainable activities would give rise to stranded assets or deliver inconsistent incentives, and whether it would have any negative impact on liquidity in financial markets.

**Amendment 29**

Proposal for a regulation  
Recital 30

*Text proposed by the Commission*

(30) To ensure that investments are channelled towards economic activities that make the biggest positive impact on the environmental objectives, the Commission should give priority to the establishment of technical screening criteria for the economic activities that potentially contribute most to the
environmental objectives. Screening criteria should take into account the outcomes of projects to facilitate the identification and development of new technologies as well as to take into account of the scalability of these technologies.

Amendment 30
Proposal for a regulation
Recital 31

Text proposed by the Commission

(31) Appropriate technical screening criteria should be established for the transport sector, including for mobile assets, which should take into account that the transport sector, including international shipping, contributes close to 26% of total greenhouse gas emissions in the Union. As evidenced in the Action Plan on Financing Sustainable Growth\(^48\) the transport sector represents about 30% of additional annual investment needs for sustainable development in the Union, including by increasing electrification or transition to cleaner modes of transport by promoting modal shift and traffic management.


Amendment

(31) Appropriate technical screening criteria should be established for the transport sector, including for mobile assets, which should take into account the \textit{entire life cycle of technologies and} that the transport sector, including international shipping, contributes close to 26% of total greenhouse gas emissions in the Union. As evidenced in the Action Plan on Financing Sustainable Growth\(^48\) the transport sector represents about 30% of additional annual investment needs for sustainable development in the Union, including by increasing electrification or transition to cleaner modes of transport by promoting modal shift and traffic management.


Amendment 31
Proposal for a regulation
Recital 32

Text proposed by the Commission

(32) It is of particular importance that the Commission when preparing the development of the technical screening criteria, carry out appropriate consultations in line with Better Regulation

Amendment

(32) It is of particular importance that the Commission when preparing the development of the technical screening criteria, carry out appropriate consultations in line with Better Regulation
requirements. The process for the establishment and the update of the technical screening criteria should also involve relevant stakeholders and build on the advice of experts with proven knowledge and experience in the relevant areas. For that purpose, the Commission should set up a Platform on sustainable finance. This Platform should be composed of experts representing both the public and the private sector. Public sector representatives should include experts from the European Environmental Agency, the European Supervisory Authorities and the European Investment Bank. Private sector experts should include representatives of relevant stakeholders, including financial market actors, universities, research institutes, associations and organisations. The Platform should advise the Commission on the development, analysis and review of technical screening criteria, including their potential impact on the valuation of assets that until the adoption of the technical screening criteria were considered as green assets under existing market practices. The Platform should also advise the Commission on whether the technical screening criteria are suitable for further uses in future Union policy initiatives aimed at facilitating sustainable investment.

requirements. The process for the establishment and the update of the technical screening criteria and the harmonised indicators should also involve relevant stakeholders and build on scientific evidence, socio-economic impact, best practice and existing work and entities, notably, the European Commission Circular Economy Platform, and the advice of experts with proven knowledge and global experience in the relevant areas. For that purpose, the Commission should set up a Platform on sustainable finance. This Platform should be composed of a wide range of experts representing both the public and the private sector to ensure that the specificities of all relevant sectors are duly taken into account. Public sector representatives should include experts from the European Environmental Agency and national environment protection agencies, the European Supervisory Authorities the European Financial Reporting Advisory Group, and the European Investment Bank. Private sector experts should include representatives of relevant stakeholders, including financial and non-financial market actors, representatives of the real economy representing a wide range of industries, universities, research institutes, associations and organisations. Where necessary the Platform should be allowed to request advice from non-members. The Platform should advise the Commission on the development, analysis and review of technical screening criteria and harmonised indicators, including their potential impact on the valuation of assets that until the adoption of the technical screening criteria were considered sustainable under existing market practices. The Platform should also advise the Commission on whether the technical screening criteria and indicators are suitable for further uses in future Union policy initiatives aimed at facilitating sustainable investment. The Platform should advise the Commission on the
development of sustainability accounting standards and integrated reporting standards for corporates and financial market participants, including through the revision of Directive 2013/34/EU.

Amendment 32
Proposal for a regulation
Recital 33

**Text proposed by the Commission**

(33) In order to specify the requirements set out in this Regulation, and particularly to establish and update granular and calibrated technical screening criteria for different economic activities as to what constitutes a substantial contribution and significant harm to the environmental objectives, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the information required to comply with the disclosure obligation set out in Article 4 (3), and the technical screening criteria mentioned in Article 6(2), Article 7(2), Article 8(2), Article 9(2), Article 10(2) and Article 11(2). It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States’ experts, and the experts of the European Parliament and the Council should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

**Amendment**

(33) In order to specify the requirements set out in this Regulation, and particularly to establish and update granular and calibrated technical screening criteria and indicators for different economic activities as to what constitutes a substantial contribution and significant harm to the environmental objectives, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the information required to comply with the disclosure obligation set out in Article 4 (3), and the technical screening criteria mentioned in Article 6(2), Article 7(2), Article 8(2), Article 9(2), Article 10(2) and Article 11(2). It is of particular importance that the Commission carry out appropriate public consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States’ experts, and the experts of the European Parliament and the Council should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
Amendment 33
Proposal for a regulation
Recital 35

(text proposed by the Commission)

(35) The application of this Regulation should be reviewed regularly in order to assess the progress on the development of technical screening criteria for environmentally sustainable activities, the use of the definition of environmentally sustainable investment, and whether compliance with the obligations requires the establishment of a verification mechanism. The review should include also an assessment of whether the scope of this Regulation should be extended to cover social sustainability objectives.

Amendment

(35) The application of this Regulation should be reviewed regularly and at least after two years in order to assess the progress on the development of technical screening criteria and harmonised indicators for environmentally sustainable and environmentally harmful activities, the use of the definition of environmentally sustainable investment or investments having a negative environmental impact, and whether compliance with the obligations requires the establishment of further verification mechanism. The review should include also an assessment of the provisions required for extending the scope of this Regulation to cover social sustainability objectives. By 31 March 2020, the Commission should, where appropriate, publish further legislative proposals on the establishment of a verification mechanism of compliance.

Amendment 34
Proposal for a regulation
Recital 36

(text proposed by the Commission)

(36) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, but can be better achieved at Union level, by reason of the need to introduce at Union level uniform criteria for environmentally sustainable economic activities, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the

Amendment

(36) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, but can be better achieved at Union level, by reason of the need to introduce at Union level uniform criteria and indicators for environmentally sustainable economic activities, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in
Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

Amendment 35

Proposal for a regulation

Article 1

Text proposed by the Commission

Article 1

Subject matter and scope

1. This Regulation establishes the criteria for determining whether an economic activity is environmentally sustainable for the purposes of establishing the degree of environmental sustainability of an investment.

2. This Regulation applies to the following:

   (a) measures adopted by Member States or by the Union setting out any requirements on market actors in respect of financial products or corporate bonds that are marketed as environmentally sustainable.

   (b) financial market participants offering financial products as environmentally sustainable investments or as investments having similar characteristics.

   (ba) financial market participants offering other financial products except where:

      i. the financial market participant provides explanations that the economic activities funded by its financial products do not have any significant sustainability impact according to the technical
screening criteria referred to in Articles 3 and 3a, in which case the provisions of Chapter II and III shall not apply, or

ii. the financial market participant declares in its prospectus that the financial product in question does not pursue sustainability objectives and that the product is at an increased risk of supporting economic activities that are not considered sustainable under this regulation.

2a. The criteria referred to in the first paragraph of this Article may be used for the purpose mentioned in that paragraph by financial services providers that are not addressed by Article 1(2) or on a voluntary basis, and with respect to other financial products than those established in the first paragraph of Article 2.

Amendment 36

Proposal for a regulation
Article 2

Text proposed by the Commission

Article 2
Definitions

1. For the purposes of this Regulation, the following definitions shall apply:

(a) ‘environmentally sustainable investment’ means an investment that funds one or several economic activities that qualify under this Regulation as environmentally sustainable;

(b) ‘financial market participants’ mean financial market participants as defined in Article 2 (a) of [Commission proposal for a Regulation on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341];

(c) ‘financial products' mean financial products as defined in Article 2 (j) of

Amendment

Article 2
Definitions

1. For the purposes of this Regulation, the following definitions shall apply:

(a) ‘environmentally sustainable investment’ means an investment that funds one or several economic activities that qualify under this Regulation as environmentally sustainable;

(b) ‘financial market participants’ mean any of the following, as defined in Article 2 (a) of [Commission proposal for a Regulation on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341];

(c) 'financial products' means a portfolio management, an AIF, an IBIP,
[Commission proposal for a Regulation on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341];

...a pension product, a pension scheme or a UCITS, a corporate bond, as defined in Article 2 (j) of [Commission proposal for a Regulation on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341], as well as issuances referred to in Directive 2003/71/EC and Regulation (EU)2017/1129);

(ca) ‘environmental indicators’ means, at minimum, the measurement of consumption of recourses, such as raw materials, energy, renewable energy, water, impact on ecosystem services, emissions including CO2, impact on biodiversity and land use and production of waste, based on scientific evidence, the Commission Life Cycle Assessment methodology and as laid out in the Commission’s monitoring framework on the circular economy (COM/2018/29 final);

(cb) 'relevant national competent authority' means the competent or supervisory authority, or authorities, in the Member States as specified in the Union acts referred to in Article 1(2) of Regulation (EU) No 1095/2010, of Regulation (EU) No1093/2010 and of Regulation (EU) No 1094/2010, which cover in their scope the category of financial market participant subject to the disclosure requirement referred to in Article 4 of this Regulation;

(cc) 'relevant ESA' means the European Supervisory Authority, or European Supervisory Authorities, specified in the Union acts referred to in Article 1(2) of Regulation (EU) No 1093/2010, of Regulation (EU) No 1094/2010 and/or of Regulation (EU) No 1095/2010, which cover in their scope the category of financial market participant subject to the disclosure requirement referred to in Article 4 of this Regulation;

(d) 'climate change mitigation' means the process of holding the increase in the

(d) 'climate change mitigation' means the processes, including transitional
global average temperature to well below 2°C above pre-industrial levels and limiting the temperature increase to 1.5°C above pre-industrial levels;

(e) ‘climate change adaptation’ means the process of adjustment to actual and expected climate and its effects;

(f) 'greenhouse gas' means a greenhouse gas listed in Annex I to Regulation (EU) No 525/2013 of the European Parliament and of the Council\(^49\);

(g) 'circular economy' means maintaining the value and usage of products, materials and resources in the economy for as long as possible, and minimising waste, including through the application of the waste hierarchy as laid down in Article 4 of Directive 2008/98/EC of the European Parliament and of the Council\(^50\);

(h) 'pollution' means:

(i) the direct or indirect introduction, as a result of human activity, of substances, vibrations, heat, noise or other pollutants into air, water or land which may be harmful to human health or the quality of the environment, may result in damage to material property, or may impair or interfere with amenities and other legitimate uses of the environment;


measures, required for holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down the Paris Agreement;

(e) ‘climate change adaptation’ means the process of adjustment to actual and expected climate change and its effects;

(f) 'greenhouse gas' means a greenhouse gas listed in Annex I to Regulation (EU) No 525/2013 of the European Parliament and of the Council\(^49\);

(g) 'circular economy' means maintaining the value of products, materials and resources in the economy for as long as possible, and minimising waste, including through the application of the waste hierarchy as laid down in Article 4 of Directive 2008/98/EC of the European Parliament and of the Council\(^50\) and minimising the use of resources based on key circular economy indicators as set out in the monitoring framework on progress towards a circular economy, covering different stages of production, consumption, waste management.

(h) 'pollution' means:

(i) the direct or indirect introduction, as a result of human activity, of substances, vibrations, heat, noise, light or other pollutants into air, water or land which may be harmful to human health or the quality of the environment, may result in damage to material property, or may impair or interfere with amenities and other legitimate uses of the environment;


(iia) in the context of water environment, pollution as defined in Article 2 (33) of Directive 2000/60/EC.
(i) 'healthy ecosystem' means an ecosystem that is in a good physical, chemical and biological condition or of a good physical, chemical and biological quality;

(j) 'energy efficiency' means using energy more efficiently at all the stages of the energy chain from production to final consumption;

(k) ‘good environmental status’ means good environmental status as defined in Article 3(5) of Directive 2008/56/EC;

(l) ‘marine waters’ means marine waters as defined in Article 3(1) of Directive 2008/56/EC;

(m) ‘surface water’, ‘inland water’, ‘transitional waters’ and ‘coastal water’ shall have the same meaning as in points (1), (3), (6) and (7) of Article 2 of Directive 2000/60/EC;

(n) 'sustainable forest management' means using forests and forest land in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems.


certain Directives (OJ L 312, 22.11.2008, p. 3).


Amendment 37

Proposal for a regulation
Article 3

**Text proposed by the Commission**

Article 3

Criteria for environmentally sustainable economic activities

For the purposes of establishing the degree of environmental sustainability of an investment, an economic activity shall be environmentally sustainable where that activity complies with all of the following criteria:

(a) the economic activity contributes substantially to one or more of the environmental objectives set out in Article 5 in accordance with Articles 6 to 11;

(b) the economic activity does not significantly harm any of the environmental objectives set out in Article 5 in accordance with Article 12;

(c) the economic activity is carried out in compliance with the minimum safeguards laid down in Article 13;

(d) the economic activity complies with technical screening criteria, where the

**Amendment**

Article 3

Criteria for environmentally sustainable economic activities

For the purposes of establishing the degree of environmental sustainability of an investment, an economic activity shall be environmentally sustainable where that activity complies with all of the following criteria:

(a) the economic activity contributes substantially to one or more of the environmental objectives set out in Article 5 in accordance with Articles 6 to 11;

(b) the economic activity does not significantly harm any of the environmental objectives set out in Article 5 in accordance with Article 12;

(c) the economic activity is carried out in compliance with the minimum safeguards laid down in Article 13;

(d) the economic activity complies with technical screening criteria, where the
Commission has specified those in accordance with Articles 6(2), 7(2), 8(2), 9(2), 10(2) and 11(2).

Amendment 38

Proposal for a regulation
Article 3 a (new)

**Text proposed by the Commission**

**Amendment**

**Article 3a**

*Criteria for economic activities with a significant negative environmental impact*

By 31 December 2021, the Commission shall conduct an impact assessment on the consequences of revising this Regulation to expand the framework for sustainable investments with a framework that is used to define criteria for when and how an economic activity has a significant negative impact on sustainability. This expansion shall be conditional to an outcome of the impact assessment that states that such an expansion is proportionate, feasible and desirable.

Amendment 39

Proposal for a regulation
Article 4

**Text proposed by the Commission**

**Amendment**

**Article 4**

*Use of the criteria for environmentally sustainable economic activities*

1. Member States shall apply the criteria for determining *environmentally*
sustainable economic activities set out in Article 3 for the purposes of any measures setting out requirements on market actors in respect of financial products or corporate bonds that are marketed as ‘environmentally sustainable’.

2. Financial market participants offering financial products as environmentally sustainable investments, or as investments having similar characteristics, shall disclose information on how and to what extent the criteria for environmentally sustainable economic activities set out in Article 3 are used to determine the environmental sustainability of the investment. Where financial market participants consider that an economic activity which does not comply with the technical screening criteria set out in accordance with this Regulation or for which those technical screening criteria have not been established yet, should be considered environmentally sustainable, they may inform the Commission. The Commission shall, if appropriate, notify the Platform on sustainable Finance referred to in Article 15 of such requests by the financial market participants. Financial market participants shall not offer financial products as environmentally sustainable investments, or as investments having similar characteristics, if those products do not qualify as environmentally sustainable.

2a. Member States, in close cooperation with the relevant ESA, shall monitor the information referred to in paragraph 2. Financial market participants shall report it to the relevant national competent authority which shall communicate it to the relevant ESA without delay. Whenever the relevant national competent authority or the relevant ESA disagree with the information reported as referred to in paragraphs 2 and 2a, financial market participants shall review and correct the information disclosed.

2b. The disclosure of information referred to in Article 4 shall be consistent with the principles of fair, clear and none misleading information included in Directive (EU) 2014/65/EU and in
Directive (EU) 2016/97 and intervention powers referred to in Article 4 paragraph 2c consistent with those included in Regulation No 600/2014.

2c. No disclosure requirements under the [PO please insert reference to Regulation on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341] shall be required in this Regulation;

2d. Small and non-complex undertakings referred to in Article 2.2b and 2.2c shall be subject to simplified provisions.

3. The Commission shall adopt delegated acts in accordance with Article 16 to supplement paragraph 2 to specify the information required to comply with that paragraph, taking into account the technical screening criteria set out in accordance with this Regulation. That information shall enable investors to identify:

(a) the percentage of holdings pertaining to companies carrying out environmentally sustainable economic activities;

(b) the share of the investment funding environmentally sustainable economic activities as a percentage of all economic activities.

4. The Commission shall adopt the

(ba) the relevant definitions of small and non-complex undertakings referred to in Article 2b as well the simplified provisions that apply to these entities.

3a. Financial market participants shall publish the information referred to in points (a) and (b) of paragraph 3.

4. The Commission shall adopt the
delegated act in accordance with paragraph 3 by 31 December 2019 with a view to ensure its entry into application on 1 July 2020. The Commission may amend that delegated act, in particular in the light of amendments to the delegated acts adopted in accordance with Article 6(2), Article 7(2), Article 8(2), Article 9(2), Article 10(2) and Article 11(2).

Amendment 40

Proposal for a regulation

Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4a

Market monitoring

1. In accordance with Article 9(2) of Regulation (EU) No 1093/2010, Regulation (EU) No 1094/2010, Regulation (EU) No 1095/2010, the relevant ESA shall monitor the market for financial products referred to in Article 1 of this Regulation, which are marketed, distributed or sold in the Union.

2. Competent authorities shall monitor the market for financial products which are marketed, distributed or sold in or from their Member State.

3. In accordance with Article 9(5) of Regulations (EU) No 1093/2010, No 1094/2010, No 1095/2010, the relevant ESA may, where there is a breach of this Regulation by the entities referred to in Article 1, temporarily prohibit or restrict in the Union the marketing, distribution or sale of the financial products referred to in Article 1;

A prohibition or restriction referred to in Art 3 may apply in circumstances, or be subject to exceptions, specified by the relevant ESA.

4. When taking action under this
Article, the relevant ESA shall ensure that the action:

(a) does not have a detrimental effect on the efficiency of financial markets or on investors that is disproportionate to the benefits of the action, and

(b) does not create a risk of regulatory arbitrage;

Where a competent authority or competent authorities have taken a measure under this Article, the relevant ESA may take any of the measures referred to in paragraph 1.

5. Before deciding to take any action under this Article, the relevant ESA shall notify competent authorities of the action it proposes.

6. The relevant ESA shall review a prohibition or restriction imposed under paragraph 1 at appropriate intervals and at least every three months. If the prohibition or restriction is not renewed after that three-month period it shall expire.

7. Action adopted by the relevant ESA under this Article shall prevail over any previous action taken by a competent authority.

Amendment 41

Proposal for a regulation
Article 5

**Text proposed by the Commission**

Article 5

*Environmental objectives*

For the purposes of this Regulation, the following shall be environmental objectives:

(1) climate change mitigation;
(2) climate change adaptation

**Amendment**

Article 5

*Sustainability objectives*

1. For the purposes of this Regulation, the following shall be environmental objectives:

(1) climate change mitigation;
(2) climate change adaptation
sustainable use and protection of water and marine resources

transition to a circular economy, waste prevention and recycling;

pollution prevention and control;

protection of healthy ecosystems.

sustainable use and protection of water and marine resources

transition to a circular economy, including waste prevention and increasing the uptake of secondary raw materials;

pollution prevention and control;

protection of biodiversity and healthy ecosystems, and restoration of degraded ecosystems.

The objectives set out in the first paragraph shall be measured by harmonised indicators, life cycle analysis and scientific criteria, and be fulfilled ensuring they are up to scale to the upcoming environmental challenges.

Amendment 42

Proposal for a regulation

Article 6

Text proposed by the Commission

Substantial contribution to climate change mitigation

1. An economic activity shall be considered to contribute substantially to climate change mitigation where that activity substantially contributes to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas removals through any of the following means, including through process or product innovation:

   (a) generating, storing or using renewable energy or climate-neutral energy (including carbon-neutral energy), including through using innovative technology with a potential for significant future savings or through necessary reinforcement of the

Amendment

Article 6

Substantial contribution to climate change mitigation

1. An economic activity shall be considered to contribute substantially to climate change mitigation where that activity substantially contributes to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas removals through any of the following means, including through process or product innovation:

   (a) generating, storing, distributing or using renewable energy in line with the Renewable Energy Directive, including through using innovative technology with a potential for significant future savings or through necessary reinforcement of the
reinforcement of the grid;

(b) improving energy efficiency;

(c) increasing clean or climate-neutral mobility;

(d) switching to use of renewable materials;

(e) increasing carbon capture and storage use;

(f) phasing out anthropogenic emissions of greenhouse gases, including from fossil fuels;

(g) establishing energy infrastructure required for enabling decarbonisation of energy systems;

(h) producing clean and efficient fuels from renewable or carbon-neutral sources.

2. The Commission shall adopt delegated acts in accordance with Article 16 to:

(a) supplement paragraph 1 to establish technical screening criteria based on indicators, for determining under which conditions a specific economic activity is considered, for the purposes of this Regulation, to contribute substantially to climate change mitigation;
(b) supplement Article 12 to establish technical screening criteria, for each relevant environmental objective, for determining whether an economic activity in respect of which screening criteria are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the technical screening criteria referred to in paragraph 2 in one delegated act, taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 31 December 2019, with a view to ensure its entry into application on 1 July 2020.

Amendment 43

Proposal for a regulation
Article 7

Text proposed by the Commission

Article 7

Substantial contribution to climate change adaptation

1. An economic activity shall be considered to contribute substantially to climate change adaptation where that activity contributes substantially to reducing the negative effects of the current and expected future climate or preventing an increase or shifting of negative effects of climate change, through the following means:

(a) preventing or reducing the location- and context-specific negative effects of climate change, which shall be assessed and prioritised using available climate

Amendment

Article 7

Substantial contribution to climate change adaptation

1. An economic activity shall be considered to contribute substantially to climate change adaptation where that activity contributes substantially to reducing the negative effects of the current and expected future climate or preventing an increase or shifting of negative effects of climate change, through the following means:

(a) preventing or reducing the location- and context-specific negative effects of climate change, which shall be assessed and prioritised using available climate
projections, on the economic activity;
(b) preventing or reducing the negative effects that climate change may pose to the natural and built environment within which the economic activity takes place, which shall be assessed and prioritised using available climate projections.

2. The Commission shall adopt a delegated act in accordance with Article 16 to:
(a) supplement paragraph 1 to establish technical screening criteria for determining under which conditions a specific economic activity is considered, for the purposes of this Regulation, to contribute substantially to climate change adaptation;
(b) supplement Article 12 to establish technical screening criteria, for each relevant environmental objective, for determining whether an economic activity in respect of which screening criteria are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the technical screening criteria referred to in paragraph 2 together in one delegated act, taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 31 December 2019, with a view to ensure its entry into application on 1 July 2020.

Amendment 44
Proposal for a regulation
Article 8

Text proposed by the Commission

Article 8

Substantial contribution to sustainable use and protection of water and marine resources

1. An economic activity shall be considered to be contributing substantially to sustainable use and protection of water and marine resources where that activity substantially contributes to the good status of waters, including freshwater, transitional waters and coastal waters, or to the good environmental status of marine waters, through any of the following means:

(a) protecting the aquatic environment from the adverse effects of urban and industrial waste water discharges by ensuring adequate collection and treatment of urban and industrial waste waters in accordance with Articles 3, 4, 5 and 11 of Council Directive 91/271/EEC53;

(b) protecting human health from the adverse effects of any contamination of drinking water by ensuring that it is free from any micro-organisms, parasites and a

Amendment

Article 8

Substantial contribution to sustainable use and protection of water and marine resources

1. An economic activity shall be considered to be contributing substantially to sustainable use and protection of water bodies and marine waters where that activity substantially contributes to the good status of waters, including inland surface waters, estuaries and coastal waters, or to the good environmental status of marine waters, where that activity takes adequate measures to restore, protect or maintain the biological diversity, productivity, resilience, value and the overall health of marine ecosystem, as well of the livelihoods of communities dependent upon them, through any of the following means:

(a) protecting the aquatic environment, including bathing water (riparian and sea water), from the adverse effects of urban and industrial waste water discharges, including plastics, by ensuring adequate collection and treatment of urban and industrial waste waters in accordance with Articles 3, 4, 5 and 11 of Council Directive 91/271/EEC53 or in accordance with the best available technique set out in the Directive 2010/75/EU;

(aa) protecting the aquatic environment from the adverse effects of at sea emissions and discharges in accordance with IMO based conventions such as MARPOL, as well as conventions not covered under MARPOL such as the Ballast Water Management Convention and the Regional Seas Conventions;

(b) protecting human health from the adverse effects of any contamination of drinking water by ensuring that it is free from any micro-organisms, parasites and a
substances that constitute a potential danger to human health, and that it meets the minimum requirements set out in Annex I, Parts A and B, to Council Directive 98/83/EC\textsuperscript{54}, and increasing citizens' access to clean drinking water;

(c) abstracting water in keeping with the objective of good quantitative status as defined in table 2.1.2 in Annex V to Directive 2000/60/EC;

(d) improving water efficiency, facilitating water reuse, or any other activity that protects or improves quality of Union’s water bodies in accordance with Directive 2000/60/EC;

(e) ensuring the sustainable use of marine ecosystem services or contributing to good environmental status of marine waters, as determined on the basis of the qualitative descriptors set out in Annex I to Directive 2008/56/EC and as further specified in Commission Decision (EU) 2017/848\textsuperscript{55}.

2. The Commission shall adopt a delegated act in accordance with Article 16 to:

(a) supplement paragraph 1 to establish technical screening criteria for determining under which conditions a specific economic activity is considered, for the purposes of this Regulation, to contribute substantially to sustainable use and protection of water and marine resources;

(b) supplement Article 12 to establish technical screening criteria, for each relevant environmental objective, for determining whether an economic activity in respect of which screening criteria are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the
technical screening criteria referred to in paragraph 2 together in one delegated, and taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 1 July 2022, with a view to ensure its entry into application on 31 December 2022.


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Amendment 45

Proposal for a regulation

Article 9

*Text proposed by the Commission*

Substantial contribution to the circular economy and waste prevention and recycling

1. An economic activity shall be considered to contribute substantially to the transition to a circular economy and waste prevention and recycling where that activity contributes substantially to that environmental objective through any of the following means:

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*Amendment*

Substantial contribution to the circular economy, including waste prevention and increasing the uptake of secondary raw materials

1. An economic activity shall be considered to contribute substantially to the transition to a circular economy, including waste prevention, re-use and recycling, covering the entire life cycle of a product or economic activity in different stages of production, consumption and end of use, where that activity, in line with the EU
acquis, contributes substantially to that environmental objective through any of the following means:

(a) improving the efficient use of raw materials in production, including through reducing the use of primary raw materials and increasing the use of by-products and waste;

(b) increasing the durability, reparability, upgradability or reusability of products;

(c) increasing the recyclability of products, including of individual materials contained in products, inter alia through substitution or reduced use of products and materials that are not recyclable;

(d) reducing the content of hazardous substances in materials and products;

(e) prolonging the use of products including through increasing reuse, remanufacturing, upgrading, repair and sharing of products by consumers;

(f) increasing the use of secondary raw materials and their quality, including through high-quality recycling of waste;

(g) reducing waste generation;

(h) increasing preparing for re-use and
recycling of waste;

(i) avoiding incineration and disposal of waste;

(j) avoiding and cleaning-up of litter and other pollution caused by improper waste management;

(k) using natural energy resources efficiently.

2. The Commission shall adopt a delegated act in accordance with Article 16 to:

(a) supplement paragraph 1 to establish technical screening criteria for determining under which conditions a specific economic activity is considered, for the purposes of this Regulation, to contribute substantially to the circular economy and waste prevention and recycling;

(b) supplement Article 12 to establish technical screening criteria, for each relevant environmental objective, for determining whether an economic activity in respect of which screening criteria are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to contribute substantially to the circular economy and waste prevention and recycling.
of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the technical screening criteria referred to in paragraph 2 together in one delegated act, taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 1 July 2021, with a view to ensure its entry into application on 31 December 2021.

Amendment 46
Proposal for a regulation
Article 10

Text proposed by the Commission

Article 10
Substantial contribution to pollution prevention and control

1. An economic activity shall be considered to contribute substantially to pollution prevention and control where that activity contributes to a high level of environmental protection from pollution through any of the following means:

(a) reducing air, water and soil pollutant emissions other than greenhouse gasses;

(b) improving levels of air, water or soil quality in the areas in which the economic activity takes place whilst minimizing negative impacts on, and risks to, human health and the environment;

(c) minimising significant adverse effects on human health and the environment of the production and use of chemicals

Amendment

Article 10
Substantial contribution to pollution prevention and control

1. An economic activity shall be considered to contribute substantially to pollution prevention and control where that activity contributes substantially to environmental protection from pollution through any of the following means:

(a) reducing air, water and soil pollutant emissions other than greenhouse gasses;

(b) improving levels of air, water or soil quality in the areas in which the economic activity takes place whilst minimizing negative impacts on, and risks to, human health and the environment;

(c) minimising significant adverse effects on human health and the environment of the production and use of chemicals
2. The Commission shall adopt a delegated act in accordance with Article 16 to:

(a) supplement paragraph 1 to establish technical screening criteria for determining under which conditions a specific economic activity is considered, for the purposes of this Regulation, to contribute substantially to pollution prevention and control;

(b) supplement Article 12 to establish technical screening criteria, for each relevant environmental objective, for determining whether an economic activity in respect of which screening criteria are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the technical screening criteria referred to in paragraph 2 together in one delegated act, taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 1 July 2021, with a view to ensure its entry into application on 31 December 2021.

Amendment 47

Proposal for a regulation

Article 11

Text proposed by the Commission

Article 11

Substantial contribution to protection of healthy ecosystems

1. For the purposes of this Regulation, an economic activity shall be considered to contribute substantially to healthy ecosystems where that activity contributes

Amendment

Article 11

Substantial contribution to protection of biodiversity and healthy ecosystems or to restoration of degraded ecosystems

1. For the purposes of this Regulation, an economic activity shall be considered to contribute substantially to biodiversity and healthy ecosystems or the restoration of
substantially to protecting, conserving and enhancing biodiversity and ecosystem services in line with the relevant legislative and non-legislative Union instruments, through any of the following means:

(a) nature conservation (habitats, species); protecting, restoring and enhancing the condition of ecosystems and their capacity to provide services;

(b) sustainable land management, including adequate protection of soil biodiversity; land degradation neutrality; and the remediation of contaminated sites;

(c) sustainable agricultural practices, including those that contribute to halting or preventing deforestation and habitat loss;

(d) sustainable forest management.

2. The Commission shall adopt a delegated act in accordance with Article 16 to:

(a) supplement paragraph 1 to establish technical screening criteria for determining under which conditions a specific economic activity is considered, for the purposes of this Regulation, to contribute substantially to the protection of healthy ecosystems;

(b) supplement Article 12 to establish technical screening criteria, for each degraded ecosystems where that activity contributes substantially to protecting, conserving and enhancing or restoring biodiversity and ecosystem services in line with the relevant legislative and non-legislative Union instruments, through any of the following means:

(a) nature conservation measures to maintain or restore natural habitats and species of wild fauna and flora at favourable conservation status to reach adequate populations of naturally occurring species and measures to protect, restore and enhance the condition of ecosystems and their capacity to provide services;

(b) sustainable land management, including adequate protection of soil biodiversity; land degradation neutrality; and the remediation of contaminated sites;

(c) sustainable agricultural practices, including those that contribute to halting or preventing deforestation and habitat loss;

(d) sustainable forest management, taking into account the EU Timber Regulation, the EU LULUCF Regulation, the EU Renewable Energy Directive (RED) and applicable national legislation, that is in line with these and the conclusions from the Ministerial Conference on the Protection of Forests in Europe (MCPFE).
relevant environmental objective, for determining whether an economic activity in respect of which screening criteria are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the technical screening criteria referred to in paragraph 2 together in one delegated act, taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 1 July 2022, with a view to ensure its entry into application on 31 December 2022.

Amendment 48

Proposal for a regulation

Article 12

Text proposed by the Commission

Article 12

Significant harm to environmental objectives

For the purposes of Article 3(b), an economic activity shall be considered as significantly harming:

(a) climate change mitigation, where that activity leads to significant greenhouse gas emissions;

(b) climate change adaptation, where that activity leads to increased negative effect of current and expected climate, for and beyond the natural and built environment within which that activity takes place;

(c) sustainable use and protection of water and marine resources, where that activity is detrimental to a significant extent to good status of Union waters,

indicators, for each relevant environmental objective, for determining whether an economic activity in respect of which screening criteria based on indicators are established pursuant to point (a) of this paragraph is considered, for the purposes of this Regulation, to cause significant harm to one or more of those objectives.

3. The Commission shall establish the technical screening criteria referred to in paragraph 2 together in one delegated act, taking into account the requirements laid down in Article 14.

4. The Commission shall adopt the delegated act referred to in paragraph 2 by 1 July 2022, with a view to ensure its entry into application on 31 December 2022.

I. For the purposes of Article 3(b), taking into account its full life cycle, an economic activity shall be considered as significantly harming:

(a) climate change mitigation, where that activity leads to significant greenhouse gas emissions;

(b) climate change adaptation, where that activity leads to increased negative effect of current and expected climate, for and beyond the natural and built environment within which that activity takes place;

(c) sustainable use and protection of water and marine resources, where that activity is detrimental to a significant extent to good status of Union waters,
including freshwater, transitional waters and coastal waters, or to good environmental status of marine waters of the Union; in line with Directives 2000/60/EC and 2008/56/EC establishing a framework for Community action in the field of water policy;

(d) circular economy and waste prevention and recycling, where that activity leads to significant inefficiencies in the use of materials in one or more stages of the life-cycle of products, including in terms of durability, reusability or recyclability of products; or where that activity leads to a significant increase in the generation, incineration or disposal of waste;

(e) pollution prevention and control where that activity leads to significant increase in emissions of pollutants to air, water and land, as compared to the situation before this activity started;

(f) healthy ecosystems, where that activity is detrimental to a significant extent to the good condition of ecosystems.

1a. When assessing an economic activity against the criteria (a) to (f), the environmental impacts of the activity itself, as well as of the products and services provided by that activity throughout their entire life cycle and, if necessary, throughout the value chain, shall be taken into consideration.
The minimum safeguards referred to in Article 3(c) shall be procedures implemented by the undertaking that is carrying out an economic activity to ensure that the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation’s declaration on Fundamental Rights and Principles at Work, namely: the right not to be subjected to forced labour, the freedom of association, workers’ right to organise, the right to collective bargaining, equal remuneration for men and women workers for work of equal value, non-discrimination in opportunity and treatment with respect to employment and occupation, as well as the right not to be subjected to child labour, are observed.

By 31 December 2021, the Commission shall conduct an impact assessment on the consequences and appropriateness of revising this Regulation to include compliance with other minimum safeguards that the undertaking that is carrying out an economic activity has to observe in order to establish that economic activity as environmentally sustainable.

Amendment 50
Proposal for a regulation
Article 14

1. The technical screening criteria adopted in accordance with Articles 6(2),
7(2), 8(2), 9(2), 10(2) and 11(2) shall:

(a) identify the most relevant potential contributions to the given environmental objective, considering not only the short-term but also the longer term impacts of a specific economic activity;

(b) specify the minimum requirements that need to be met to avoid significant harm to any of the relevant environmental objectives;

(c) be qualitative or quantitative, or both, and contain thresholds where possible;

(d) where appropriate, build upon Union labelling and certification schemes, Union methodologies for assessing environmental footprint, and Union statistical classification systems, and take into account any relevant existing Union legislation;

(e) be based on conclusive scientific evidence and take into account, where relevant, the precautionary principle enshrined in article 191 TFEU;

(f) take into account the environmental impacts of the economic activity itself, as well as of the products and services provided by that economic activity, notably by considering their production, use and end-of-life;

(g) take into account the nature and the scale of the economic activity;

7(2), 8(2), 9(2), 10(2) and 11(2) shall:

(-a) be based on harmonised indicators that measure environmental impact using a harmonised life cycle assessment;

(a) identify the most relevant potential contributions to the given environmental objective, considering not only the short-term but also the longer term impacts of a specific economic activity,

(b) specify the minimum requirements that need to be met to avoid significant harm to any of the relevant environmental objectives;

(c) be qualitative or quantitative, or both, and contain thresholds where possible;

(d) where appropriate, build upon Union labelling and certification schemes, Union methodologies for assessing environmental footprint, and Union statistical classification systems, and take into account any relevant existing Union legislation; acknowledging the competence of the Member States;

(e) be based on conclusive scientific evidence and adhere to the precautionary principle enshrined in article 191 TFEU;

(f) take into account the environmental impacts of the economic activity itself, as well as of the products and services provided by that economic activity throughout their entire life cycle and, if necessary, throughout the value chain, by considering their production from the processing of raw materials to the final product, use, end-of-life and recycling;

(fa) take into account the cost of non-action, based on the Sendai Framework for Disaster Risk Reduction 2015-2030;

(g) take into account the nature and the scale of the economic activity, and taking into account if an activity is in transition to a sustainable configuration and/or operation, through research and
innovation projects, specific timelines and pathways of this transition;

(h) take into account the risk of certain assets becoming stranded as a result of losing value due to the transition to a more sustainable economy, as well as the risk of creating inconsistent incentives;

(ha) are easy to apply and avoid unnecessary administrative burden from a compliance perspective;

(i) cover all relevant economic activities within a specific sector and ensure that those activities are treated equally if they contribute equally towards one or more environmental objectives, to avoid distorting competition in the market;

(j) be set as to facilitate the verification of compliance with those criteria whenever possible.

2. The technical screening criteria referred to in paragraph 1 shall also include criteria for activities related to the clean energy transition, in particular energy efficiency and renewable energy, to the extent that those are substantially contributing to any of the environmental objectives.

3. The technical screening criteria referred to in paragraph 1 shall also include criteria for activities related to the switch to clean or climate-neutral mobility, including through modal shift, efficiency measures and alternative fuels, to the extent that those are substantially contributing to any of the environmental objectives.

3a. If the major part of the undertakings that conduct a specific economic activity are evidently engaged in a trajectory towards transforming this activity sustainable, the screening criteria

(h) take into account the potential impact on liquidity in the market, the risk of certain assets becoming stranded as a result of losing value due to the transition to a more sustainable economy, as well as the risk of creating inconsistent incentives;
4. The Commission shall regularly review the screening criteria referred to in paragraph 1 and, if appropriate, amend the delegated acts adopted in accordance with this Regulation in line with scientific and technological developments.

Amendment 51
Proposal for a regulation
Article 15

Text proposed by the Commission

Article 15
Platform on Sustainable Finance

1. The Commission shall establish a Platform on sustainable finance composed of:

(a) representatives of:

(i) the European Environment Agency;

(ii) the European Supervisory Authorities;

(iii) the European Investment Bank and the European Investment Fund;

(b) experts representing relevant private stakeholders;

Amendment

Article 15
Platform on Sustainable Finance

1. The Commission shall establish a Platform on sustainable finance whose composition shall ensure balance, a wide range of views, and gender equality. It shall be composed, in balanced manner, of representatives from the following groups:

(a) representatives of the following:

(i) the European Environment Agency;

(ii) the European Supervisory Authorities;

(iii) the European Investment Bank and the European Investment Fund;

(iiiia) the European Union Agency for Fundamental Rights;

(iiiib) the European Financial Reporting Advisory Group (EFRAG);

(b) experts representing relevant private stakeholders, including the financial and non-financial market actors.
and business sectors, representing relevant industries,

(ba) experts representing civil society, including with expertise in the field of environmental, social, labour and governance issues.

(ba) experts representing civil society, including with expertise in the field of environmental, social, labour and governance issues.

(c) experts appointed in a personal capacity, with proven knowledge and experience in the areas covered by this Regulation.

(c) experts appointed in a personal capacity, with proven knowledge and experience in the areas covered by this Regulation.

(c) experts representing academia, including universities, research institutes and think tanks, including with global expertise;

(c) experts representing academia, including universities, research institutes and think tanks, including with global expertise;

1a. Experts referred to in points (b) and (c) shall be appointed in accordance with Article 237 of the Financial Regulation, and shall possess proven knowledge and experience in the areas covered by this Regulation, especially sustainability in the financial sector.

1a. Experts referred to in points (b) and (c) shall be appointed in accordance with Article 237 of the Financial Regulation, and shall possess proven knowledge and experience in the areas covered by this Regulation, especially sustainability in the financial sector.

1b. The European Parliament and the Council shall be duly informed in a timely manner of the selection procedure of experts for the Platform.

1b. The European Parliament and the Council shall be duly informed in a timely manner of the selection procedure of experts for the Platform.

2. The Platform on Sustainable Finance shall:

2. The Platform on Sustainable Finance shall:

(-a) advise the Commission on the establishment of harmonised indicators referred to in Article 14, paragraph 1(-a) and the possible need to update them; in so doing it shall draw on the work of relevant Union entities and initiatives, notably the Circular Economy Monitoring Framework.

(-a) advise the Commission on the establishment of harmonised indicators referred to in Article 14, paragraph 1(-a) and the possible need to update them; in so doing it shall draw on the work of relevant Union entities and initiatives, notably the Circular Economy Monitoring Framework.

(a) advise the Commission on the technical screening criteria referred to in Article 14, and the possible need to update those criteria;

(a) advise the Commission on the technical screening criteria referred to in Article 14, and the possible need to update those criteria;

(b) analyse the impact of the technical screening criteria in terms of potential costs and benefits of their application;

(b) analyse the impact of the technical screening criteria based on data and scientific research whenever available in terms of potential costs and benefits of their application;

(c) assist the Commission to analyse requests from stakeholders to develop or revise technical screening criteria for a given economic activity;

(c) assist the Commission to analyse requests from stakeholders to develop or revise technical screening criteria for a given economic activity based on data and scientific research whenever available;
the conclusions of these analyses shall be published on the Commission's website in a timely manner;

(d) upon request from the Commission or the European Parliament, advise the Commission or the European Parliament on the suitability of the technical screening criteria for possible further uses;

(da) advise, in cooperation with EFRAG, the Commission on the development of sustainability accounting standards and integrated reporting standards for corporates and financial market participants, including through the revision of the Directive 2013/34/EU;

(e) monitor and report regularly to the Commission on EU and Member State level trends regarding capital flows from economic activities with a negative impact on environmental sustainability towards sustainable investment based on data and scientific research whenever available;

(f) advise the Commission on the possible need to amend this Regulation, particularly in regard to data relevance and quality, and ways to reduce the administrative burden;

(fa) contribute to the evaluation and development of sustainable finance regulations and policies, including policy coherence issues;

(fb) assist the Commission in defining possible social objectives.

2a. The Platform shall duly consider appropriate data and relevant scientific research in the discharge of these tasks. It may conduct public consultations in order to gather stakeholder views on specific matters within its mandate.

3. The Platform on Sustainable Finance shall be chaired by the Commission.
Amendment 52
Proposal for a regulation
Article 16

Text proposed by the Commission

Article 16

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission, subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Articles 4(3), 6(2), 7(2), 8(2), 9(2), 10(2) and 11(2) shall be conferred on the Commission for an indeterminate period from [Date of entry into force of this Regulation].

3. The delegation of powers referred to in paragraph 2 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act,

Commission shall publish the analyses, deliberations, reports and minutes of the Platform on its website.

Amendment

Article 16

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission, subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Articles 4(3), 6(2), 7(2), 8(2), 9(2), 10(2) and 11(2) shall be conferred on the Commission for an indeterminate period from [Date of entry into force of this Regulation].

3. The delegation of powers referred to in paragraph 2 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. As part of the preparation of the delegated acts, the Commission shall carry out appropriate consultations and assessments of the proposed policy options.

5. As soon as it adopts a delegated act,
the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Articles 4(3), 6(2), 7(2), 8(2), 9(2), 10(2) and 11(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment 53

Proposal for a regulation

Article 17

Text proposed by the Commission

Review clause

1. By 31 December 2021, and subsequently every three years thereafter, the Commission shall publish a report on the application of this Regulation. That report shall evaluate the following:

(a) the progress on the implementation of this Regulation with regard to the development of technical screening criteria for environmentally sustainable economic activities;

(b) the possible need to revise the criteria set out in this Regulation for considering an economic activity environmentally sustainable;

(c) the appropriateness of extending

Amendment

Article 17

Review clause

1. By 31 December 2021, and subsequently every three years thereafter, the Commission shall publish a report on the application and impact of this Regulation. That report shall evaluate the following:

(a) the progress on the implementation of this Regulation with regard to the development of technical screening criteria based on indicators for environmentally sustainable economic activities;

(b) the possible need to revise the criteria and the list of indicators set out in this Regulation for considering an economic activity environmentally sustainable to facilitate innovation and the sustainable transition;

(c) the appropriateness of extending
the scope of this Regulation to cover other sustainability objectives, in particular social objectives;

(d) the use of the definition of environmentally sustainable investment in Union law, and at Member State level, including the appropriateness of setting up verification mechanism of compliance with the criteria set out in this Regulation.

(d) the use of the definition of environmentally sustainable investment and investments with negative environmental impact in Union law, and at Member State level, including the appropriateness of reviewing or setting up additional verification mechanism of compliance with the criteria based on indicators set out in this Regulation;

(da) the possible need to develop further the integrated reporting requirements set out in Article 17a (new) in relation to the disclosure of non-financial and diversity information by certain large undertakings and groups in accordance with Directive 2013/34/EU of the European Parliament and of the Council;

(db) the effectiveness of the taxonomy in channelling private investments into sustainable activities.

1a. By 31 December 2021, and subsequently every three years thereafter, the Commission shall review the scope of this Regulation if it creates excessive administrative burden or if the necessary data for financial market participants is insufficiently available.

2. The report shall be sent to the European Parliament and to the Council. The Commission shall make accompanying proposals where appropriate.

2. The reports shall be sent to the European Parliament and to the Council. The Commission shall make accompanying legislative proposals where appropriate.

Amendment 54

Proposal for a regulation
Article 18

Text proposed by the Commission

Amendment

Article 18
Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

2. Articles 3 to 13 of this Regulation shall apply:
   
   (a) in respect of the environmental objectives referred to in points (1) and (2) of Article 5, from 1 July 2020;
   
   (b) in respect of the environmental objectives referred to in points (4) and (5) of Article 5, from 31 December 2021;
   
   (c) in respect of the environmental objectives referred to in points (3) and (6) of Article 5, from 31 December 2022.

(\textit{ca}a) The entry into force Article 17a is subject to and conditional on the outcome of the impact assessment referred to in Article 16 c(a) demonstrating the added value, feasibility and proportionality of the amendments to Directive 2013/34/EU
# PROCEDURE – COMMITTEE RESPONSIBLE

| **Title** | Establishment of a framework to facilitate sustainable investment |
| **Date submitted to Parliament** | 24.5.2018 |

| **Committees responsible** | **Date announced in plenary** |
| ECON | 5.7.2018 |
| ENVI | 5.7.2018 |

| **Committees asked for opinions** | **Date announced in plenary** |
| BUDG | 5.7.2018 |
| ITRE | 5.7.2018 |
| IMCO | 5.7.2018 |

| **Not delivering opinions** | **Date of decision** |
| BUDG | 28.6.2018 |
| ITRE | 19.6.2018 |
| IMCO | 19.6.2018 |

| **Rapporteurs** | **Date appointed** |
| Bas Eickhout | 13.11.2018 |
| Sirpa Pietikäinen | 13.11.2018 |

| **Rule 55 – Joint committee procedure** | **Date announced in plenary** |
| | 15.11.2018 |


| **Date adopted** | 11.3.2019 |

| **Result of final vote** | | |
| +: | 52 |
| -: | 45 |
| 0: | 19 |


<p>| <strong>Substitutes present for the final vote</strong> | Jørn Dohrmann, Bas Eickhout, Linnéa Engström, Eleonora Evi, Fredrick Federley, Christofer Fjellner, Ashley Fox, Anja Hazekamp, Sophia in ’t Veld, Ramón Jáuregui Atondo, Syed Kamall, Alain Lamassoure, Ana Miranda, Luigi Morgano, Sirpa Pietikäinen, Michel Reimon, Andreas Schwab, Bart Staes, Lieve Wierinck, Tiemo Wölken |</p>
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## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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Key to symbols:
+ : in favour  
- : against  
0 : abstention