

Amendment 409

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Dominique Bilde, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider, Pernille Weiss

Report

A9-0184/2023

Lara Wolters

Corporate Sustainability Due Diligence
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Recital 15***Text proposed by the Commission*

(15) Companies should take appropriate steps to set up and carry out due diligence measures, with respect to their own operations, their subsidiaries, as well as their *established* direct and indirect business relationships *throughout* their value chains in accordance with the provisions of this Directive. This Directive should not require companies to guarantee, in all circumstances, that adverse impacts will never occur or that they will be stopped. For example with respect to business relationships where the adverse impact results from State intervention, the company might not be in a position to arrive at such results. Therefore, the main obligations in this Directive should be ‘obligations of means’. The company should take the appropriate measures which can reasonably be expected to result in prevention or minimisation of the adverse impact under the circumstances of the specific case. Account should be taken of the specificities of the company’s value chain, sector or geographical area in which its value chain partners operate, the

Amendment

(15) Companies should take appropriate steps *within their means* to set up and carry out due diligence measures, with respect to their own operations *with entities from non-EU countries, those of* their subsidiaries, as well as their direct and indirect business relationships *in* their value chains in accordance with the provisions of this Directive. This Directive should not require companies to guarantee, in all circumstances, that adverse impacts will never occur or that they will be stopped. For example with respect to business relationships where the adverse impact results from State intervention, the company might not be in a position to arrive at such results. Therefore, the main obligations in this Directive should be ‘obligations of means’. The company should take the appropriate measures which can reasonably be expected to result in prevention or minimisation of the adverse impact under the circumstances of the specific case, *proportionate and commensurate to the degree of severity and the likelihood of the adverse impact*

company's power to influence its **direct and indirect** business relationships, and whether the company could increase its power of influence.

and the size, resources, and capacities of the company. Account should be taken of the specificities of the company's value chain, sector or geographical area in which its value chain partners operate, the company's power to influence its business relationships, and whether the company could increase its power of influence.

Or. en

Justification

Companies established under the Union's legal framework must already follow the strict EU legislation and thus creates no added value to put more burden on them to declare its fulfillment. Proposed amendment targets only operations carried out by entities in third countries, that are not bound by the Union's legal framework. Such approach sets the level-playing field and protects the EU value chains, most importantly European SMEs.

Amendment 410

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Dominique Bilde, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider

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Corporate Sustainability Due Diligence
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Recital 47***Text proposed by the Commission*

(47) Although SMEs are not included in the scope of this Directive, **they could** be impacted by its provisions as contractors or subcontractors to the companies which are in the scope. The aim is nevertheless to mitigate financial or administrative burden on SMEs, many of which are already struggling in the context of the global economic and sanitary crisis. In order to support **SMEs**, Member States should set up and operate, either individually or jointly, dedicated websites, portals or platforms, and Member States **could** also financially support SMEs and help them build capacity. Such support should also be made accessible, and where necessary adapted and extended to upstream economic operators in third countries. Companies whose business partner is an SME, are also encouraged to support them to comply with due diligence measures, **in case such requirements would jeopardize the viability of the SME** and use fair, reasonable, non-discriminatory and proportionate requirements vis-a-vis the SMEs.

Amendment

(47) Although SMEs are not included in the scope of this Directive, **non-Union SMEs should** be impacted by its provisions as contractors or subcontractors to the companies which are in the scope. The aim is nevertheless to mitigate financial or administrative burden on **such** SMEs, many of which are already struggling in the context of the global economic and sanitary crisis. In order to support **Union SMEs that voluntarily comply with the Directive**, Member States, **with the support of the Commission**, should set up and operate, either individually or jointly, dedicated **user-friendly** websites, portals or platforms, and Member States **should** also financially support **such Union** SMEs and help them build capacity. Such support should also be made accessible, and where necessary adapted and extended to upstream economic operators in third countries. Companies whose business partner is an SME, are also encouraged to support them to comply with due diligence measures and use fair, reasonable, non-discriminatory

and proportionate requirements vis-a-vis the SMEs. ***SMEs should also have the possibility of applying this Directive on a voluntary basis and should for that purpose be supported through adequate measures and tools, and be incentivised.***

Or. en

Justification

SMEs formed in accordance with the legislation of a Member State can decide to voluntarily comply with this Directive on a voluntary basis, and in such case the Member States should support them.

Amendment 411

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Dominique Bilde, Josianne Cutajar, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider

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(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Recital 48***Text proposed by the Commission**Amendment*

(48) In order to complement Member State support to **SMEs**, the Commission **may** build on existing EU tools, projects and other actions helping with the due diligence implementation in the EU and in third countries. It **may** set up new support measures that provide help to companies, including SMEs on due diligence requirements, including an observatory for value chain transparency and the facilitation of joint stakeholder initiatives.

(48) In order to complement Member State support to **the Union's companies in their implementation, including Union SMEs that voluntarily comply with this Directive**, the Commission **should** build on existing EU tools, projects and other actions helping with the due diligence implementation in the EU and in third countries. It **should** set up new support measures that provide help to companies, including SMEs on due diligence requirements, including an observatory for value chain transparency and the facilitation of joint stakeholder initiatives.

Or. en

Justification

SMEs formed in accordance with the legislation of a Member State can decide to voluntarily comply with this Directive on a voluntary basis, and in such case the Member States should support them.

Amendment 412

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Dominique Bilde, Pernille Weiss, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider

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Corporate Sustainability Due Diligence
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Article 1 – paragraph 1 – subparagraph 1 – point a***Text proposed by the Commission**Amendment*

(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, **the operations** of their subsidiaries, and the **value chain** operations carried out by entities with whom the company has **an established** business relationship and

(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts **that they caused, contributed to or are directly linked to**, with respect to their own operations **in non-EU countries, and those** of their subsidiaries, and the operations carried out by **non-EU** entities **in their value chain** with whom the company has **a** business relationship and

Or. en

Justification

Companies established under the Union's legal framework must already follow the strict EU legislation and thus creates no added value to put more burden on them to declare its fulfillment. Proposed amendment targets only operations carried out by entities in third countries, that are not bound by the Union's legal framework. Such approach sets the level-playing field and protects the EU value chains, most importantly European SMEs.

Amendment 413

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Dominique Bilde, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider

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Corporate Sustainability Due Diligence
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Article 3 – paragraph 1 – point g – indent 1***Text proposed by the Commission**Amendment*

- *as regards companies within the meaning of point (a), the ‘value chain’ does not cover households, natural persons or SMEs formed in accordance with the legislation of a Member State;*

Or. en

Justification

The households, natural persons or SMEs formed in accordance with the legislation of a Member State should be excluded in full. This text relates to JURI AM 117 [Article 3 – paragraph 1 – point g – subparagraph 1 a (new)] and should precede the JURI AM 117 as subparagraph 1 a (new)

Amendment 414

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Dominique Bilde, Josianne Cutajar, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider

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(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Article 14 – paragraph 1***Text proposed by the Commission**Amendment*

1. Member States shall, in order to provide information and support to companies and the partners with whom they have *established* business relationships in their value chains in their efforts to fulfil the obligations resulting from this Directive, set up and operate individually or jointly dedicated websites, platforms or portals. *Specific consideration* shall be *given, in that respect, to* the SMEs that *are present in the value chains of* companies.

1. *Before the entry into force of this Directive*, Member States *with the support of the Commission* shall *develop and implement measures and toolboxes*, in order to provide information, *advice* and support to companies and the partners with whom they have business relationships in their value chains in their efforts to fulfil the obligations resulting from this Directive, *and* set up and operate individually or jointly dedicated *user-friendly* websites, platforms or portals. *Such information, advice and support* shall be *practical and tailored to the specific needs of the Union's companies, in particular of* the SMEs that *voluntarily comply with this Directive. Member States shall also ensure that training on how to perform due diligence is made available for* companies. *In doing so, Member States shall ensure complementarity and coherence with similar measures already in existence, such as information and promotion provided by OECD National Contact Points.*

Justification

SMEs formed in accordance with the legislation of a Member State can decide to voluntarily comply with this Directive on a voluntary basis, and in such case the Member States should support them.

Amendment 415

Martina Dlabajová, Dita Charanzová, Ondřej Knotek, Ondřej Kovařík, Martin Hlaváček, Angelika Winzig, Angelika Niebler, Andreas Glück, Engin Eroglu, Maria Grapini, Andrus Ansip, Tamás Deutsch, Christian Doleschal, Christophe Hansen, Stefan Berger, Michael Gahler, Norbert Lins, Lena Düpont, Ulrike Müller, Henna Virkkunen, Karolin Braunsberger-Reinhold, Mathilde Androuët, András Gyürk, Jörgen Warborn, Eric Minardi, Enikő Győri, Virginie Joron, Edina Tóth, László Trócsányi, Jens Gieseke, Marie Dauchy, Livia Járóka, Ádám Kósa, Kinga Gál, Ernő Schaller-Baross, Matteo Adinolfi, Paolo Borchia, Angelo Ciocca, Elena Lizzi, Isabella Tovaglieri, Josianne Cutajar, Markus Ferber, Moritz Körner, Jan-Christoph Oetjen, Svenja Hahn, Ralf Seekatz, Peter Jahr, Nicola Beer, Christine Schneider

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Corporate Sustainability Due Diligence
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Proposal for a directive**Article 14 – paragraph 2***Text proposed by the Commission**Amendment*

2. Without prejudice to applicable State aid rules, Member States **may financially** support **SMEs**.

2. Without prejudice to applicable State aid rules, Member States **shall provide financial and other** support **to Union SMEs that voluntarily comply with this Directive, where relevant**.

Or. en

Justification

SMEs formed in accordance with the legislation of a Member State can decide to voluntarily comply with this Directive on a voluntary basis, and in such case the Member States should support them.