



2018/0178(COD)

16.11.2018

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DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council
on the establishment of a framework to facilitate sustainable investment
(COM(2018)0353 – C8-0207/2018 – 2018/0178(COD))

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

on the proposal for a regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (COM(2018)0353 – C8-0207/2018 – 2018/0178(COD))

(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 and the opinion of the Committee on the Internal Market and Consumer Protection (A8-0000/2018),
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.

Text proposed by the Commission

(6) In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth'²⁵ 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.

²⁵ COM(2018) 97 final.

Amendment

(6) In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth'²⁵ 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 **and of indicators for identifying the degree of sustainability of** activities are 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, **holistic** understanding of **the impact of economic activities and investments on environmental sustainability and resource efficiency**. As a first step, clear guidance on activities qualifying as contributing to environmental objectives, should help inform investors about the investments that fund economic activities **according to their degree of sustainability**. Further guidance on the activities contributing to other sustainability objectives, including social objectives, may be developed at a later stage.

²⁵ COM(2018) 97 final.

Or. en

Amendment 2

Proposal for a regulation Recital 6 a (new)

Text proposed by the Commission

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.

Or. en

Amendment 3

Proposal for a regulation Recital 6 b (new)

Text proposed by the Commission

Amendment

(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.

Or. en

Amendment 4

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Achieving SDGs in the **Union** requires the channelling of capital flows towards sustainable investments. It is important to exploit fully the potential of the internal market for the achievement of those goals. It is also important to ensure that capital flows channelled towards sustainable investment are not disrupted in the internal market.

Amendment

(8) Achieving SDGs **and the commitments of the UN Global Compact on Environment** in the **Union** requires the channelling of capital flows **away from activities with negative environmental impact and** towards sustainable investments. It is important to exploit fully the potential of the internal market for the achievement of those goals **and commitments**. It is also important to ensure that capital flows channelled towards sustainable investment are not disrupted in the internal market.

Or. en

Amendment 5

Proposal for a regulation

Recital 8 a (new)

Text proposed by the Commission

Amendment

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

Or. en

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 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

Amendment

(9) Offering financial products **and services** which pursue environmentally sustainable objectives is an effective way of **shifting** private investments **from activities with negative environmental impact into 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 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

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 investment across borders within the **Union**.

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 harmonised at **Union** level, in order to remove obstacles to the functioning of the internal market and prevent their future emergence. 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**.

Or. en

Amendment 7

Proposal for a regulation Recital 10

(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.

(10) Moreover if market participants do not ***disclose*** how the activities they invest in contribute ***negatively or positively*** to environmental objectives, or if they use different ***metrics and criteria for determining the impact*** in their explanation of ***the degree of 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. Investors will invest in green financial products with higher confidence across the Union, improving the functioning of the internal market.

Or. en

Amendment 8

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 stakeholders and to facilitate the growth of European financial markets funding sustainable economic activities, the taxonomy should be based on harmonised, comparable and uniform indicators, including at least 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.

Or. en

Amendment 9

Proposal for a regulation Recital 10 b (new)

Text proposed by the Commission

Amendment

(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

Amendment 10

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 11

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) *Establishing criteria for environmentally sustainable economic*

Amendment

(12) *The information on the environmental impact of activities will*

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.

help relevant actors in the financial markets to easily identify *the degree of environmental sustainability of the economic activities carried out by firms*, but it will also facilitate for firms to raise funding.

Or. en

Amendment 12

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 determining the environmental impact of 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, 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 *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..*

Or. en

Amendment 13

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 Council²⁷ 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.

²⁷ Regulation (EU) 2017/2396 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (OJ L 345, 27.12.2017, p. 34).

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 channel private investment alongside public spending towards sustainable investments. Regulation (EU) 2015/1017 of the European Parliament and of the Council²⁷ 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 **and common indicators for the assessment of environmental impact** could underpin future similar initiatives of the Union supporting investment pursuing climate-related or other environmental objectives.

²⁷ Regulation (EU) 2017/2396 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (OJ L 345, 27.12.2017, p. 34).

Or. en

Amendment 14

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.

Or. en

Amendment 15

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) To ***avoid harming*** consumer ***interests***, fund managers and institutional investors offering financial products as environmentally sustainable, should disclose ***how and to what extent the criteria for environmentally sustainable economic activities are used to determine the*** environmental sustainability of ***the*** investments. The information disclosed should enable investors to understand the ***share of the investment funding environmentally sustainable economic activities as a percentage of all economic activities and thus*** the degree of environmental sustainability of the investment. The Commission should specify the information that needs to be disclosed for that purpose. That

Amendment

(16) To ***inform retail investors and ensure*** consumer ***protection***, fund managers and institutional investors offering financial products as environmentally sustainable, should disclose ***the degree of*** environmental sustainability of investments ***and their environmental impact***. The information disclosed should enable investors to understand the ***criteria and indicators used for identifying the environmental impact***, the degree of environmental sustainability of the investment ***as well as the percentage of investee companies’ turnover supporting activities that qualify as environmentally sustainable or with negative environmental impact***. The Commission should specify the

information should enable national competent authorities to verify compliance with the disclosure obligation easily, and to enforce that obligation in accordance with applicable national law.

information that needs to be disclosed for that purpose. That information should enable national competent authorities **and the ESAs** to verify compliance with the disclosure obligation easily, and to enforce that obligation in accordance with applicable national law. ***The disclosure requirements should build on the work of the Global Reporting Initiative and the UN Principles for Responsible Investment.***

Or. en

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 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) 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 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.

Or. en

Amendment 17

Proposal for a regulation

Recital 18

Text proposed by the Commission

(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.

Or. en

Amendment 18

Proposal for a regulation

Recital 20

Text proposed by the Commission

(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 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

(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 economic activities benefitting from those investments cause harm to the environment 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.

Or. en

Amendment 19

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) Recalling the joint commitment of the European Parliament, the Council and the Commission to pursue the principles enshrined in the European Pillar of Social Rights in support of sustainable and inclusive growth and recognising the relevance of international minimum human and labour rights and standards, compliance with minimum safeguards should be a condition for economic activities to qualify as environmentally sustainable. For that reason economic activities should only qualify as environmentally sustainable where they are carried out observing the International Labour Organisation's ('ILO') declaration on Fundamental Rights and Principles at Work and the eight ILO core conventions. The ILO core conventions define human and labour rights that companies are due to respect. Several of these international standards are also enshrined the Charter of Fundamental Rights of the European Union, in particular the prohibition of slavery and forced labour and the principle of non-discrimination. Those minimum safeguards are without prejudice to the application of more stringent requirements on environment, health and safety and social sustainability set out in Union law, where applicable.

Amendment

(21) Recalling the joint commitment of the European Parliament, the Council and the Commission to pursue the principles enshrined in the European Pillar of Social Rights in support of sustainable and inclusive growth and recognising the relevance of international minimum human and labour rights and standards, compliance with minimum safeguards should be a condition for economic activities to qualify as environmentally sustainable. For that reason economic activities should only qualify as environmentally sustainable where they are carried out observing the International Labour Organisation's ('ILO') declaration on Fundamental Rights and Principles at Work and the eight ILO core conventions, ***as well as in observance of the International Bill of Human Rights, the EU Charter of Fundamental Rights, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the UN Convention Concerning the Protection of the World Cultural and Natural Heritage, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Multinational Enterprises and the United Nations Principles for Responsible Investment.*** The ILO core conventions define human and labour rights that companies are due to respect. Several of these international standards are also enshrined the Charter of Fundamental Rights of the European Union, in particular the prohibition of slavery and forced labour and the principle of non-discrimination. Those minimum safeguards are without prejudice to the application of more stringent requirements on environment,

health and safety and social sustainability set out in Union law, where applicable.

Or. en

Amendment 20

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.

Or. en

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 certainty, the precautionary principle should apply, in line with Article 191 TFEU.

Amendment

(24) An economic activity should not be considered environmentally sustainable if it causes more harm to the environment than the benefits it brings **and it should also not significantly harm any of the other environmental objectives**. The technical screening criteria **based on harmonised indicators** should identify the minimum requirements necessary to avoid a significant harm to other objectives **and the assessment of the negative impact**. When establishing and updating the technical screening criteria **and harmonised indicators**, the Commission should ensure that those criteria **and indicators** are based on available scientific evidence and are updated regularly. Where scientific evaluation does not allow for the risk to be determined with sufficient certainty, the precautionary principle should apply, in line with Article 191 TFEU.

Or. en

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) 66/2010 of the European Parliament and the Council³⁷, the EU Eco-Management and Audit Scheme,³⁸ the EU Green Public Procurement criteria³⁹ and the on-going work on Product and Organisation Environmental Footprint

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) 66/2010 of the European Parliament and the Council³⁷, the EU Eco-Management and Audit Scheme,³⁸ the EU Green Public Procurement criteria³⁹, **the Commission Circular Economy Platform, the European Platform on Life Cycle**

rules.⁴⁰ 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).⁴¹

³⁷ Regulation (EC) 66/2010 of the European Parliament and the Council of 25 November 2009 on the EU Ecolabel (OJ L 27, 30.1.2010, p. 1).

³⁸ Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1–45).

³⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Public procurement for a better environment {SEC(2008) 2124} {SEC(2008) 2125} {SEC(2008) 2126} COM/2008/0400 final.

⁴⁰ 2013/179/EU: Commission Recommendation of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1–210).

⁴¹ Annex 4 and 5 of Regulation (EU) No 538/2014 of the European Parliament and of the Council of 16 April 2014 amending Regulation (EU) No 691/2011 on European environmental economic accounts (OJ L 158, 27.5.2014).

Assessment, and the on-going work on Product and Organisation Environmental Footprint rules.⁴⁰ 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).⁴¹

³⁷ Regulation (EC) 66/2010 of the European Parliament and the Council of 25 November 2009 on the EU Ecolabel (OJ L 27, 30.1.2010, p. 1).

³⁸ Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1–45).

³⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Public procurement for a better environment {SEC(2008) 2124} {SEC(2008) 2125} {SEC(2008) 2126} COM/2008/0400 final.

⁴⁰ 2013/179/EU: Commission Recommendation of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1–210).

⁴¹ Annex 4 and 5 of Regulation (EU) No 538/2014 of the European Parliament and of the Council of 16 April 2014 amending Regulation (EU) No 691/2011 on European environmental economic accounts (OJ L 158, 27.5.2014).

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 Parliament and of the Council⁴², Directive 2011/92/EU of the European Parliament and of the Council⁴³, Directive 2014/23/EU of the European Parliament and of the Council⁴⁴, Directive 2014/24/EU of the European Parliament and of the Council⁴⁵, Directive 2014/25/EU of the European Parliament and of the Council⁴⁶, and current methodology. In that context, the technical screening criteria should promote appropriate governance frameworks integrating environmental, social and governance factors, as referred to in the United Nations-supported Principles for Responsible Investment⁴⁷, at all stages of a project's lifecycle.

⁴² Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

⁴³ Directive 2011/92/EU of the European Parliament and of the Council of 13

Amendment

(26) When establishing and updating the technical screening criteria **and the 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 of the European Parliament and of the Council⁴², Directive 2011/92/EU of the European Parliament and of the Council⁴³, Directive 2014/23/EU of the European Parliament and of the Council⁴⁴, Directive 2014/24/EU of the European Parliament and of the Council⁴⁵, Directive 2014/25/EU of the European Parliament and of the Council⁴⁶, and current methodology. In that context, the technical screening criteria **and indicators** should promote appropriate governance frameworks integrating environmental, social and governance factors, as referred to in the United Nations-supported Principles for Responsible Investment⁴⁷, at all stages of a project's lifecycle.

⁴² Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

⁴³ Directive 2011/92/EU of the European Parliament and of the Council of 13

December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

⁴⁴ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).

⁴⁵ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁴⁶ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

⁴⁷

<https://www.unpri.org/download?ac=1534>.

December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

⁴⁴ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).

⁴⁵ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

⁴⁶ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

⁴⁷

<https://www.unpri.org/download?ac=1534>.

Or. en

Amendment 24

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) To avoid distorting competition when raising financing for environmentally 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

Amendment

(27) **To encourage environmentally sustainable innovation and** to avoid distorting competition when raising financing for environmentally sustainable economic activities, the technical screening criteria should ensure that relevant economic activities within **major economic sectors, including among others agriculture, construction, energy, transportation and production**, can qualify as environmentally sustainable and are treated equally if they contribute equally towards one or more of the environmental

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.

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.

Or. en

Amendment 25

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 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,

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 **and the harmonised indicators** should also involve relevant stakeholders and build on **scientific evidence, best practice and** 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

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.

the development, analysis and review of technical screening criteria **and the harmonised indicators**, including their potential impact on the valuation of assets that until the adoption of the technical screening criteria **based on harmonised indicators** were considered as **sustainable assets or assets having a negative environmental impact** 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.

Or. en

Amendment 26

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

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), Article 11(2) **and 12(2), as well as with the specifications on minimum safeguards set out in Article 13(3)**. It is of particular importance that the Commission carry out appropriate consultations during its

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.

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.

Or. en

Amendment 27

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 three years* in order to assess the progress on the development of technical screening criteria *and harmonised indicators* for environmentally sustainable 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 a 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.

Or. en

Amendment 28

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 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

(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 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,

Or. en

Amendment 29

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

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.

Amendment

1. This Regulation establishes the criteria for determining **the degree of environmental impact and sustainability of an economic activity and thereby** whether an economic activity is environmentally sustainable for the purposes of establishing the degree of environmental sustainability of an investment **made within or outside the Union.**

Or. en

Amendment 30

Proposal for a regulation

Article 1 – paragraph 2 – point a

Text proposed by the Commission

(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**.

Amendment

(a) measures adopted by Member States or by the Union setting out any **sustainability-related** requirements on market actors in respect of financial products or corporate bonds.

Or. en

Amendment 31

Proposal for a regulation

Article 1 – paragraph 2 – point b

Text proposed by the Commission

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

Amendment

(b) financial market participants offering financial products.

Or. en

Amendment 32

Proposal for a regulation

Article 1 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) credit institutions

Or. en

Amendment 33

Proposal for a regulation

Article 1 – paragraph 2 – point b b (new)

Text proposed by the Commission

Amendment

(bb) investee companies

Or. en

Amendment 34

Proposal for a regulation

Article 2 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) ‘investment having a negative environmental impact’ means an investment that funds one or several economic activities that cause significant harm to the environment as determined by Article 12;

Or. en

Amendment 35

Proposal for a regulation

Article 2 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) ‘credit institution’ means credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013;

Or. en

Amendment 36

Proposal for a regulation

Article 2 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(cb) 'investee company' means any of the listed and non-listed undertakings referred to in Article 1 of Directive 2013/34/EU that receives a corporate loan or issues tradeable securities;

Or. en

Amendment 37

Proposal for a regulation

Article 2 – paragraph 1 – point c c (new)

Text proposed by the Commission

Amendment

(cc) 'environmental indicators' means, at minimum, the measurement of consumption of resources, such as raw materials, energy, renewable energy, water, impact on ecosystem services, emissions including CO₂, impact on biodiversity and direct and indirect 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;

Or. en

Amendment 38

Proposal for a regulation

Article 2 – paragraph 1 – point c d (new)

Text proposed by the Commission

Amendment

(cd) 'relevant national competent authority' means the competent or

supervisory 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) No 1093/2010 and of Regulation (EU) No 1094/2010 which is competent for the category of financial market participant subject to the disclosure requirement referred to in Article 4 of this Regulation;

Or. en

Amendment 39

Proposal for a regulation

Article 2 – paragraph 1 – point c e (new)

Text proposed by the Commission

Amendment

(ce) 'relevant ESA' means the European Supervisory Authority specified in the Union acts referred to in Article 1(2) of Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority); Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority); Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority) which cover in their scope the category of financial market participant subject to the disclosure requirement referred to in Article 4 of this Regulation;

Or. en

Amendment 40

Proposal for a regulation

Article 2 – paragraph 1 – point d

Text proposed by the Commission

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

Amendment

(d) 'climate change mitigation' means the process of holding the increase in the 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 ***without significantly harming any of the other environmental objectives***;

Or. en

Amendment 41

Proposal for a regulation

Article 2 – paragraph 1 – point e

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 42

Proposal for a regulation

Article 2 – paragraph 1 – point g

Text proposed by the Commission

(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

Amendment

(g) 'circular economy' means maintaining the value of products, materials and resources in the economy ***at their highest level*** 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; ***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 and secondary raw materials.

⁵⁰ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

⁵⁰ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

Or. en

Amendment 43

Proposal for a regulation Article 2 – paragraph 1 – point i

Text proposed by the Commission

(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;

Amendment

(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 ***and that is capable of self-reproduction or self-restoration to equilibrium and that preserves biodiversity***;

Or. en

Amendment 44

Proposal for a regulation Article 2 – paragraph 1 – point n

Text proposed by the Commission

(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

Amendment

(n) 'sustainable forest management' means using forests and forest land in a way, ***that restores*** their biodiversity, productivity, regeneration capacity, vitality and their potential to ***fulfil and that***

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.

delivers at least at equal scale, 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.

Or. en

Amendment 45

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

(b) the economic activity **does not harm the environmental objective set out in point (6) of Article 5 or** does not significantly harm any of the **other** environmental objectives set out in Article 5 in accordance with Article 12;

Or. en

Amendment 46

Proposal for a regulation

Article 3 – paragraph 1 – point d

Text proposed by the Commission

(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

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

Or. en

Amendment 47

Proposal for a regulation Article 3 a (new)

Text proposed by the Commission

Amendment

Article 3a

Criteria for economic activities with a negative environmental impact

For the purposes of establishing the degree of environmental sustainability of an investment, an economic activity shall be considered to be an economic activity with a negative environmental impact if it significantly harms any of the environmental objectives set out in Article 5, in accordance with Article 12.

Or. en

Amendment 48

Proposal for a regulation Article 4 – title

Text proposed by the Commission

Amendment

Use of the criteria for environmentally sustainable economic activities

Application of and compliance with the criteria for determining the degree of environmental sustainability

Or. en

Amendment 49

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall apply the criteria for determining *environmentally sustainable* economic activities set out in Article 3 for the purposes of any measures

1. Member States *and the Union* shall apply the criteria for determining *the degree of environmental sustainability of* economic activities set out in Article 3 *and*

setting out requirements on market actors in respect of financial products or corporate bonds *that are marketed as ‘environmentally sustainable’*.

3a for the purposes of any measures setting out *sustainability* requirements on market actors in respect of financial products or corporate bonds

Or. en

Amendment 50

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

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.

Amendment

2. Financial market participants offering financial products *shall disclose information on whether the products they offer qualify* as environmentally sustainable investments *pursuant to the criteria of Article 3* or as investments having *a negative environmental impact pursuant to* the criteria set out in Article 3a. Where financial market participants consider that an economic activity for which technical screening criteria have not been established yet, should be considered environmentally sustainable, they *shall* inform the Commission. *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.*

Or. en

Amendment 51

Proposal for a regulation Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. *Credit institutions shall disclose*

the share of their corporate lending that funds environmentally sustainable economic activities as well as the share of their corporate lending that funds economic activities having a negative environmental impact.

Or. en

Amendment 52

Proposal for a regulation Article 4 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. *Member States, in close cooperation with the relevant ESA, shall monitor the information referred to in paragraphs 2 and 2a. Before disclosing that information, 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.*

Or. en

Amendment 53

Proposal for a regulation Article 4 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. *Investee companies shall disclose on an annual basis the percentage of their turnover supporting activities that qualify as environmentally sustainable as well as*

the percentage of their turnover supporting activities having a negative environmental impact.

Or. en

Amendment 54

Proposal for a regulation

Article 4 – paragraph 3 – point a

Text proposed by the Commission

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

Amendment

(a) the percentage of holdings ***in different*** companies carrying out environmentally sustainable economic activities ***or activities having a negative environmental impact***;

Or. en

Amendment 55

Proposal for a regulation

Article 4 – paragraph 3 – point b

Text proposed by the Commission

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

Amendment

(b) the share of the investment funding environmentally sustainable economic activities ***or economic activities having a negative environmental impact*** as a percentage of all economic activities.

Or. en

Amendment 56

Proposal for a regulation

Article 4 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

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

Or. en

Amendment 57

Proposal for a regulation

Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

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

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

Or. en

Amendment 58

Proposal for a regulation

Article 5 – paragraph 1 – point 4

Text proposed by the Commission

Amendment

(4) transition to a circular economy, waste prevention and recycling;

(4) transition to a circular economy, waste prevention and recycling ***covering the life cycle of a product or economic activity asset in different phases including production, consumption of energy, water and land, waste management and secondary raw materials;***

Or. en

Amendment 59

Proposal for a regulation

Article 5 – paragraph 1 – point 6

Text proposed by the Commission

Amendment

(6) protection of healthy ecosystems.

(6) protection of ***biodiversity and*** healthy ecosystems, ***and restoring degraded ecosystems.***

Or. en

Amendment 60

Proposal for a regulation

Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The objectives set out in the first paragraph shall be measured against harmonised indicators and scientific criteria, and be fulfilled ensuring they are up to scale to the upcoming environmental challenges.

Or. en

Amendment 61

Proposal for a regulation

Article 6 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(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 grid;

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

Or. en

Amendment 62

Proposal for a regulation

Article 6 – paragraph 1 – point d

Text proposed by the Commission

(d) switching to use *of* renewable materials;

Amendment

(d) switching to use ***environmentally sustainable*** renewable materials ***based on a full life cycle assessment, which delivers near term greenhouse gas emissions savings***;

Or. en

Amendment 63

Proposal for a regulation

Article 6 – paragraph 1 – point e

Text proposed by the Commission

(e) increasing carbon capture and storage ***use***;

Amendment

(e) increasing carbon capture and ***utilisation or storage of industrial process emissions***;

Or. en

Amendment 64

Proposal for a regulation

Article 6 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(fa) increasing the removal of CO2 from the atmosphere and its storage in natural ecosystems, for example through afforestation, the restoration of forests and regenerative agriculture;

Or. en

Amendment 65

Proposal for a regulation

Article 6 – paragraph 1 – point h

Text proposed by the Commission

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

Amendment

(h) producing **zero-emission** fuels from **renewables**.

Or. en

Amendment 66

Proposal for a regulation

Article 6 – paragraph 2 – point a

Text proposed by the Commission

(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 mitigation;

Amendment

(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. **Those technical screening criteria shall include thresholds for mitigation activities that drive decarbonisation pathways to meet targets beyond the Paris Agreement;**

Or. en

Amendment 67

Proposal for a regulation

Article 6 – paragraph 2 – point b

Text proposed by the Commission

(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

Amendment

(b) supplement Article 12 to establish technical screening criteria **based on indicators**, for each relevant environmental objective, for determining whether an economic activity in respect of which

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.

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.

Or. en

Amendment 68

Proposal for a regulation Article 6 – paragraph 3

Text proposed by the Commission

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.

Amendment

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

Or. en

Amendment 69

Proposal for a regulation Article 7 – paragraph 2 – point a

Text proposed by the Commission

(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;

Amendment

(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 adaptation;

Or. en

Amendment 70

Proposal for a regulation

Article 7 – paragraph 2 – point b

Text proposed by the Commission

(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.

Amendment

(b) supplement Article 12 to establish technical screening criteria **based on 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.

Or. en

Amendment 71

Proposal for a regulation

Article 7 – paragraph 3

Text proposed by the Commission

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.

Amendment

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

Or. en

Amendment 72

Proposal for a regulation

Article 8 – paragraph 2 – point a

Text proposed by the Commission

(a) supplement paragraph 1 to establish technical screening criteria for determining under which conditions a specific

Amendment

(a) supplement paragraph 1 to establish technical screening criteria **based on indicators** for determining under which

economic activity is considered, for the purposes of this Regulation, to contribute substantially to sustainable use and protection of water and marine resources;

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;

Or. en

Amendment 73

Proposal for a regulation

Article 8 – paragraph 2 – point b

Text proposed by the Commission

(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.

Amendment

(b) supplement Article 12 to establish technical screening criteria ***based on 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.

Or. en

Amendment 74

Proposal for a regulation

Article 9 – paragraph 1 – introductory part

Text proposed by the Commission

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:

Amendment

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 ***minimises the use of resources and promotes cascading use of material and the waste hierarchy*** through any of the following means:

Or. en

Amendment 75

Proposal for a regulation

Article 9 – paragraph 1 – point a

Text proposed by the Commission

(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;

Amendment

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

Or. en

Amendment 76

Proposal for a regulation

Article 9 – paragraph 1 – point c

Text proposed by the Commission

(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;

Amendment

(c) **designing out of waste products** and increasing the **reusability and** 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;

Or. en

Amendment 77

Proposal for a regulation

Article 9 – paragraph 1 – point d

Text proposed by the Commission

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

Amendment

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

Amendment 78

Proposal for a regulation

Article 9 – paragraph 1 – point h

Text proposed by the Commission

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

Amendment

(h) increasing preparing for re-use and recycling of waste ***in the highest level of the material quality***;

Or. en

Amendment 79

Proposal for a regulation

Article 9 – paragraph 1 – point k

Text proposed by the Commission

(k) using natural energy resources efficiently.

Amendment

(k) using natural energy resources, ***raw materials, water and land*** efficiently.

Or. en

Amendment 80

Proposal for a regulation

Article 9 – paragraph 2 – point a

Text proposed by the Commission

(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;

Amendment

(a) supplement paragraph 1 to establish technical screening criteria, ***based on the Commission's circular economy indicators***, 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;

Amendment 81

Proposal for a regulation Article 9 – paragraph 2 – point b

Text proposed by the Commission

(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.

Amendment

(b) supplement Article 12 to establish technical screening criteria, ***based on the Commission's circular economy indicators***, 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.

Or. en

Amendment 82

Proposal for a regulation Article 9 – paragraph 3

Text proposed by the Commission

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.

Amendment

3. The Commission shall establish the technical screening criteria ***based on the Commission's circular economy indicators*** referred to in paragraph 2 together in one delegated act, taking into account the requirements laid down in Article 14.

Or. en

Amendment 83

Proposal for a regulation Article 10 – paragraph 2 – point a

Text proposed by the Commission

(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;

Amendment

(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 pollution prevention and control;

Or. en

Amendment 84

Proposal for a regulation

Article 10 – paragraph 2 – point b

Text proposed by the Commission

(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.

Amendment

(b) supplement Article 12 to establish technical screening criteria **based on indicators**, 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.

Or. en

Amendment 85

Proposal for a regulation

Article 11 – title

Text proposed by the Commission

Substantial contribution to protection of healthy ecosystems

Amendment

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

Or. en

Amendment 86

Proposal for a regulation

Article 11 – paragraph 1 – introductory part

Text proposed by the Commission

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

Amendment

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 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:

Or. en

Amendment 87

Proposal for a regulation

Article 11 – paragraph 1 – point a

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 88

Proposal for a regulation

Article 11 – paragraph 2 – point a

Text proposed by the Commission

(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;

Amendment

(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 the protection of **biodiversity and healthy ecosystems or restoration of degraded ecosystems**;

Or. en

Amendment 89

**Proposal for a regulation
Article 11 – paragraph 2 – point b**

Text proposed by the Commission

(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.

Amendment

(b) supplement Article 12 to establish technical screening criteria **based on 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.

Or. en

Amendment 90

**Proposal for a regulation
Article 12 – paragraph 1 – introductory part**

Text proposed by the Commission

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

Amendment

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

Amendment 91**Proposal for a regulation****Article 12 – paragraph 1 – point c***Text proposed by the Commission*

(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;

Amendment

(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 Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy;***

Or. en

Amendment 92**Proposal for a regulation****Article 12 – paragraph 1 – point d***Text proposed by the Commission*

(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, reparability, upgradability, reusability or recyclability of products; or where that activity leads to a significant increase in the generation, incineration or disposal of waste;

Amendment

(d) circular economy and waste prevention and recycling, where that activity leads to significant inefficiencies in the use of materials ***and resources, such as non-renewable energy, raw materials, water and land, directly or indirectly in different*** stages of the life-cycle of products ***including inefficiencies related to features designed to limit the lifetime of products and*** including in terms of durability, reparability, upgradability, reusability or recyclability of products; or where that activity leads to a significant increase in the generation, incineration or

disposal of waste *emissions*;

Or. en

Amendment 93

Proposal for a regulation

Article 12 – paragraph 1 – point f

Text proposed by the Commission

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

Amendment

(f) healthy ecosystems, where that activity is detrimental to a significant extent to the good condition ***and resilience*** of ecosystems, ***including biodiversity and direct and indirect land use***.

Or. en

Amendment 94

Proposal for a regulation

Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Commission shall adopt delegated acts to establish screening criteria based on indicators and the precautionary principle for determining whether an economic activity in respect of points (a) to (f) of this Article is considered, for the purposes of Article 3a, to have a negative environmental impact.

Or. en

Amendment 95

Proposal for a regulation

Article 13 – paragraph 1

Text proposed by the Commission

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.

Amendment

1. 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, **and the principles and rights set out in the International Bill of Human Rights, the EU Charter of Fundamental Rights, the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), the UN Convention Concerning the Protection of the World Cultural and Natural Heritage, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines on Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct (2018), the UN Sendai Framework for Disaster Risk Reduction 2015-2030, and Convention on Biological Diversity (CBD)** are observed.

Or. en

Amendment 96

**Proposal for a regulation
Article 13 – paragraph 1 a (new)**

Text proposed by the Commission

Amendment

1a. The minimum safeguards shall

apply to environmental, social and governmental objectives be implemented by the undertaking that is carrying out an economic activity by procedures observing the following principles:

(a) the nature and scale of the undertaking's operations, their life cycle, supply chains and business relationships.

(b) act according to the precautionary principle and be risk-based, meaning that the focus should be on preventing negative impacts first, and when prevention is not possible, then mitigating, preventing recurrence and, where relevant, remediating impacts.

(c) take into account the full life cycle of a financial product, asset or economic activity notably by considering their production, use and where relevant, end-of-life.

(d) take into account the cost of non-action, in line with the the UN Sendai Framework for Disaster Risk Reduction 2015-2030

(e) follow the OECD Due Diligence Guidelines.

(f) be informed by engagement with stakeholders, which includes workers and other potentially impacted individuals or groups.

(g) provide relevant information to investors and other stakeholders to enable them to assess compliance with the minimum safeguards.

Or. en

Amendment 97

Proposal for a regulation Article 13 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. *The Commission shall be empowered to supplement this Article by a delegated act specifying the criteria to determine whether there is compliance with the requirements of this Article.*

Or. en

Amendment 98

Proposal for a regulation

Article 14 – paragraph 1 – point -a (new)

Text proposed by the Commission

Amendment

(-a) *be based on harmonised indicators measuring environmental impact, calculated using the harmonised life cycle assessment.*

Or. en

Amendment 99

Proposal for a regulation

Article 14 – paragraph 1 – point e

Text proposed by the Commission

Amendment

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

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

Or. en

Amendment 100

Proposal for a regulation

Article 14 – paragraph 1 – point f

Text proposed by the Commission

(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;

Amendment

(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 *the entire life cycle, including* production, use, end-of-life *and recycling*;

Or. en

Amendment 101

Proposal for a regulation

Article 14 – paragraph 1 – point g

Text proposed by the Commission

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

Amendment

(g) take into account the nature and the scale of the economic activity *and its external effects during its entire lifecycle*;

Or. en

Amendment 102

Proposal for a regulation

Article 14 – paragraph 1 – point g a (new)

Text proposed by the Commission

Amendment

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

Or. en

Amendment 103

Proposal for a regulation

Article 14 – paragraph 1 – point h

Text proposed by the Commission

(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;

Amendment

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

Or. en

Amendment 104

Proposal for a regulation

Article 14 – paragraph 1 – point i

Text proposed by the Commission

(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;

Amendment

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

Or. en

Amendment 105

Proposal for a regulation

Article 14 – paragraph 1 – point j

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 106

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

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.

Amendment

2. The technical screening criteria referred to in paragraph 1 shall also include criteria ***based on indicators*** 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.

Or. en

Amendment 107

Proposal for a regulation Article 15 – paragraph 1 – point a – point iii a (new)

Text proposed by the Commission

Amendment

(iiia) the European Union Agency for Fundamental Rights;

Or. en

Amendment 108

Proposal for a regulation Article 15 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) experts representing civil society;

Or. en

Amendment 109

Proposal for a regulation

Article 15 – paragraph 1 – point c

Text proposed by the Commission

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

Amendment

(c) ***academia and*** experts appointed in a personal capacity, with proven knowledge and experience in the areas covered by this Regulation, ***excluding those having a conflict of interest.***

Or. en

Amendment 110

Proposal for a regulation

Article 15 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The European Parliament and the Council shall be kept duly informed in a timely manner at all stages of the selection procedure of experts for the Platform on sustainable finance.

Or. en

Amendment 111

Proposal for a regulation

Article 15 – paragraph 2 – point a

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 112

Proposal for a regulation

Article 15 – paragraph 2 – point b

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 113

Proposal for a regulation

Article 15 – paragraph 2 – point c

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 114

Proposal for a regulation

Article 15 – paragraph 2 – point d

Text proposed by the Commission

(d) advise the Commission on the suitability of the technical screening criteria for possible further uses;

Amendment

(d) advise the Commission on the suitability of the technical screening criteria ***based on indicators*** for possible further uses;

Or. en

Amendment 115

Proposal for a regulation

Article 15 – paragraph 2 – point e

Text proposed by the Commission

(e) monitor and report regularly to the Commission *on* capital flows towards sustainable investment;

Amendment

(e) monitor and report regularly to the Commission *and publicise the information on the shift of* capital flows *from activities having a negative impact on environmental sustainability* towards sustainable investment;

Or. en

Amendment 116

Proposal for a regulation

Article 15 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. *The Commission shall publish the analyses, deliberations, reports and minutes of the Platform on its website.*

Or. en

Amendment 117

Proposal for a regulation

Article 16 – paragraph 2

Text proposed by the Commission

Amendment

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].

2. The power to adopt delegated acts referred to in Articles 4(3), 6(2), 7(2), 8(2), 9(2), 10(2), *11(2), 12(2) and 13(3)* shall be conferred on the Commission for an indeterminate period from [Date of entry into force of this Regulation].

Or. en

Amendment 118

Proposal for a regulation Article 16 – paragraph 4

Text proposed by the Commission

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.

Amendment

4. Before adopting a delegated act, the Commission shall consult **the European Parliament and the** 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.

Or. en

Amendment 119

Proposal for a regulation Article 17 – paragraph 1 – point a

Text proposed by the Commission

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

Amendment

(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;

Or. en

Amendment 120

Proposal for a regulation Article 17 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

(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;

Or. en

Amendment 121

Proposal for a regulation

Article 17 – paragraph 1 – point c

Text proposed by the Commission

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

Amendment

(c) the ***steps required for*** extending the scope of this Regulation to cover other sustainability objectives, in particular social objectives;

Or. en

Amendment 122

Proposal for a regulation

Article 17 – paragraph 1 – point d

Text proposed by the Commission

(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.

Amendment

(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 setting up verification mechanism of compliance with the criteria ***based on indicators*** set out in this Regulation.

Or. en

Amendment 123

Proposal for a regulation

Article 17 a (new)

Article 17a

Amendments to Directive 2013/34/EU

Directive 2013/34/EU is amended as follows:

(1) In Article 19a(1) and Article 29a(1), the following subparagraphs are added:

'(f) Scope 1, scope 2 and scope 3 emissions;

(g) the undertakings performance under (f) against Union climate objectives;

(h) the proportion of the undertakings turnover that is generated by economic activities which meet the technical screening criteria under article 3 of Regulation (EU).../... of the European Parliament and of the Council⁺ ;

(i) the proportion of the undertakings turnover that is generated by economic activities which meet the technical screening criteria under article 3a of Regulation (EU).../... of the European Parliament and of the Council^{++} .**

*** Regulation (EU) .../... of the European Parliament and of the Council of ... on on the establishment of a framework to facilitate sustainable investment (OJ L ..., p. ...).**

**** Regulation (EU) .../... of the European Parliament and of the Council of ... on on the establishment of a framework to facilitate sustainable investment (OJ L ..., p. ...).";**

+ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... 2018/0178(COD)) and insert the number, name, date and OJ reference of that Regulation in the footnote.

++ OJ: Please insert in the text the number of the Regulation contained in document

*PE-CONS .../... (2018/0178(COD) and
insert the number, name, date and OJ
reference of that Regulation in the
footnote.*

Or. en