DRAFT OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Legal Affairs


Rapporteur for opinion: Jessica Polfjärd
SHORT JUSTIFICATION

The European economy is at the forefront in promoting sustainable finance with corporations, consumers and investors incorporating sustainability in their decision making. Further enabling this development will be key in implementing the European Green Deal. In this endeavour, sufficient, reliant and standardised data is crucial.

This goes in tandem with global developments, where international organisations, private as well as public, work towards common reporting frameworks enabling the transition to a more sustainable economy.

The previous European framework under the Non-Financial Reporting Directive, introduced a requirement on undertakings to report information related to what today would be referred to as sustainability information. The requirements under the current reporting framework are, in many aspects, not sufficiently harmonised, which has led to a fragmentation as well as making comparability difficult between reporting entities as well as between Member States.

The European Commission’s proposal for a Corporate Sustainability Reporting Directive aims to fill the data gaps that currently exists in the European economy by establishing a European sustainability reporting standard. This new framework should ensure alignment of reporting requirements for companies with the overall legal framework for sustainable finance in the EU.

By amending the Accounting Directive, the Commission amends the existing reporting requirements of the NFRD. Notably the proposal amends the requirements by extending the scope of reporting entities; introducing common reporting standards to be used for the more detailed reporting requirements; requiring assurance of the reported information; clarifying the principle of “double materiality”, an approach where an entity considers how its activities affect sustainability and conversely how sustainability matters affect the entity and its performance.

In order to cover assurance of sustainability aspects and ensure reliability of the reported information, the proposal amends the Audit Directive and the Audit Regulation. Furthermore, the proposal also amends the Transparency Directive extending the scope of sustainability reporting requirements companies with securities listed on regulated markets.

Your rapporteur agrees that clear and standardised sustainability reporting standards can help the European Union in achieving its environmental targets. With enhanced comparability, European investors and other stakeholders will be able to better asses the overall performance, risks and possibilities of companies. By common standards for the reported information, European companies should gain clarity and predictability on reporting of sustainability information.

At the same time, your rapporteur acknowledges that while there are arguments for having a standardised European framework, many European companies do compete on a global scale. Introducing reporting requirements hoping that the rest of the world will follow not only opens up for multiple sets of standards for EU enterprises to comply with, it risks putting Europe at a competitive disadvantage. Therefore, your rapporteur considers it crucial that EU
reporting standards are consistent with the work done internationally, and furthermore be complementary where necessary, such as in case of “double materiality”.

Your rapporteur aims in this draft report to emphasize the aspect of proportionality and the competitiveness of the European economy. Extending the scope of reporting obligations, not only concerning the reported information but also by a considerable increase in the number of reporting companies, is a big step. It will inevitably increase the administrative burden on the reporting entities. Today many enterprises are competing globally, and are already facing a vast amount of regulatory burden. Lacking a thorough analysis of the impact of new requirements, your rapporteur considers it wise to keep SMEs outside of the scope of the CSRD and maintain the mandatory scope of the NFRD. Furthermore, introducing standards ensures that they are available for those companies for which they will be useful.

In order to provide clarity for reporting companies, legislators should refrain from introducing requirements that simply adds to uncertainty. Conversely, your rapporteur introduces several changes improving the proposal in this aspect. Notably by removing reporting on intangibles; providing more guidance for the development of the technical standards; ensuring that reporting is done where it has added value and; introducing more time for developing technical standards in order to get it done right, rather than fast.

**AMENDMENTS**

The Committee on Economic and Monetary Affairs calls on the Committee on Legal Affairs, as the committee responsible, to take into account the following amendments:

**Amendment 1**

**Proposal for a directive**

**Recital 15**

**Text proposed by the Commission**

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively. *In view of the growth of users' needs for sustainability information, additional categories of undertakings should be required to report such information. It is therefore appropriate to require all large undertakings and all undertakings listed on regulated markets, except micro*

**Amendment**

(15) Articles 19a and 29a of Directive 2013/34/EU should continue to apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively.
undertakings, to report detailed sustainability information. In addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

Justification

It is the view of your rapporteur that expanding the scope for mandatory reporting as extensively as proposed by the Commission, will put undue burden on European competitiveness. Furthermore, your rapporteur is of the opinion that introducing standards will sufficiently ensure that the standards are used on a voluntary basis by enterprises, which are currently not under the scope of the NFRD, but for which they are relevant.

Amendment 2

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) The requirement that also large non-listed undertakings should disclose information on sustainability matters is mainly driven by concerns about the impacts and accountability of such undertakings, including through their value chain. In this respect, all large undertakings should be subject to the same requirements to report sustainability information publicly. In addition, financial market participants also need information from those large non-listed undertakings.

Justification

See justification for amendment 1.
Amendment 3

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) Considering the growing relevance of sustainability-related risks and taking into account that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a

Amendment

(18) SMEs should be exempted from additional requirements, and the obligation to disclose sustainability information should apply only to large undertakings having an average number of employees in excess of 500.
reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.

Justification

The Commission has failed to explain in which way the nature of SMEs had changed between NFRD and the new proposal on CSRD. In addition, the Commission lacked clear information on how their suggestion on covering listed SMEs would reflect on the international debate on setting sustainable standards for SME’s. The description of the internal situation within the EU is a necessary, but not sufficient explanation and therefore does not seem to be convincing for the protection of those SMEs exposed to global competition and being active in third markets. Finally, the Commission failed in their impact assessment to analyse the impact of the new obligations on those listed SMEs exposed to global competition.

Amendment 4

Proposal for a directive
Recital 26

Text proposed by the Commission

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. In addition to the reporting areas

Amendment

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. In addition to the reporting areas
identified in Articles 19a(1) and 29a(1) of Directive 2013/34/EU, undertakings should therefore be required to disclose information about their business strategy and the resilience of the business model and strategy to risks related to sustainability matters, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; any opportunities for the undertaking arising from sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any sustainability targets set by the undertaking and the progress made towards achieving them; the role of the board and management with regard to sustainability matters; the principal actual and potential adverse impacts connected with the undertaking’s activities; and how the undertaking has identified the information that they report on. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

**Justification**

This legislation should encourage reporting entities to focus on providing certainty for investors and other stakeholders.

**Amendment 5**

**Proposal for a directive**

**Recital 27**
(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, prevent, mitigate and remediate the principal actual and potential adverse impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking’s activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking’s value chain. The due diligence process concerns the whole value chain of the undertaking including its own operations, its products and services, its business relationships and its supply chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking’s activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, prevent, mitigate and remediate the principal actual impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking’s activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking’s value chain. The due diligence process concerns the whole value chain of the undertaking including its own operations, its products and services, its business relationships and its supply chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking’s activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

Or. en

Justification

See justification for amendment 4.
Amendment 6

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Directive 2013/34/EU does not require the disclosure of information on intangibles other than intangible assets recognised in the balance sheet. It is widely recognised that information on intangible assets and other intangible factors, including internally-generated intangibles, is underreported, impeding the proper assessment of an undertaking’s development, performance and position and monitoring of investments. To enable investors to better understand the increasing gap between the accounting book value of many undertakings and their market valuation, which is observed in many sectors of the economy, adequate reporting on intangibles should be required. It is therefore necessary to require undertakings to disclose information on intangibles other than intangible assets recognised in the balance sheet, including intellectual capital, human capital, including skills development, and social and relationship capital, including reputation capital. Information on intangibles should also include information related to research and development.

Or. en

Justification

Your rapporteur questions the benefit of introducing requirements to report something as difficult to measure as intangibles. Potential indicators in this area risk not only adding to complexity but also increase the burden on reporting companies, without providing a clear added value for investors.
Amendment 7

Proposal for a directive
Recital 29

Text proposed by the Commission

(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or information about past performance. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value. Articles 19a and 29a of Directive 2013/34/EU should therefore specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and quantitative information. Reported sustainability information should also take into account short, medium and long-term time horizons and contain information about the undertaking’s whole value chain, including its own operations, its products and services, its business relationships, and its supply chain, as appropriate. Information about the undertaking’s whole value chain would include information related to its value chain within the EU and information that covers third countries if the undertaking’s value chain extends outside the EU.

Amendment

(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or retrospective information. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value, but might be sensitive from a perspective of business confidentiality. Articles 19a and 29a of Directive 2013/34/EU should therefore specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and quantitative information, while not endangering the commercial position of the undertaking. Reported sustainability information should also take into account short, medium and long-term time horizons and contain information about the undertaking’s whole value chain, including its own operations, its products and services, its business relationships, and its supply chain, as appropriate. Information about the undertaking’s whole value chain would include information related to its value chain within the EU and information that covers third countries if the undertaking’s value chain extends outside the EU.

Or. en

Justification

Clarifying that reporting on reporting must not undermine competitiveness for reporting companies.
Amendment 8
Proposal for a directive
Recital 31

Text proposed by the Commission

(31) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to provide a clear and reasoned explanation for not pursuing policies in relation to one or more of the matters listed, where the undertaking does not do so. The different treatment of disclosures on the policies that undertakings may have, compared to the other reporting areas included in those articles, has created confusion among reporting undertakings and has not helped to improve the quality of the reported information. Therefore, there is no need to maintain this different treatment of policies in the Directive. The standards will determine what information needs to be disclosed in relation to each of the reporting areas mentioned in Articles 19a and 29a.

Amendment

(31) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to provide a clear and reasoned explanation for not pursuing policies in relation to one or more of the matters listed, where the undertaking does not do so. The different treatment of disclosures on the policies that undertakings may have, compared to the other reporting areas included in those articles, created confusion among reporting undertakings and has not helped to improve the quality of the reported information. Therefore, there is no need to maintain this different treatment of policies in the Directive. The standards will determine what information needs to be disclosed in relation to each of the reporting areas mentioned in Articles 19a and 29a.

Justification

Editorial amendment.

Amendment 9
Proposal for a directive
Recital 33

Text proposed by the Commission

(33) No existing standard or framework satisfies the Union’s needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all

Amendment

(33) For developing its own sustainability reporting standards the Union should ensure consistency with global equivalent standards. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all.
sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union’s climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union’s needs.

To avoid duplication of obligations and inconsistencies in definitions, scope and objectives of applicable requirements, sustainability information needs to be consistent, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the Union’s social-economic objectives under Article 3(3) of the Treaty on European Union and the level of ambition of the European Green Deal and the Union’s climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards in view of the development of international standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union’s needs.

Or. en

**Justification**

*Your rapporteur believes that EU reporting standards should be consistent with the work done internationally, and be complementary where necessary.*

**Amendment 10**

**Proposal for a directive**

**Recital 35**

*Text proposed by the Commission*

(35) Sustainability reporting standards should be coherent with other Union legislation. Those standards should in particular be aligned with the disclosure requirements laid down in Regulation (EU) 2019/2088, and they should take account of

*Amendment*

(35) Sustainability reporting standards should be coherent with other Union legislation. Those standards should in particular be aligned with the disclosure requirements laid down in Regulation (EU) 2019/2088, and they should take account of
underlying indicators and methodologies set out in the various delegated acts adopted pursuant to Regulation (EU) 2020/852, disclosure requirements applicable to benchmark administrators pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council\(^55\), the minimum standards for the construction of EU climate transition benchmarks and EU Paris-aligned benchmarks; and of any work carried out by the European Banking Authority in the implementation of the Pillar III disclosure requirements of Regulation (EU) No 575/2013. Standards should take account of Union environmental legislation, including Directive 2003/87/EC of the European Parliament and of the Council\(^56\) and Regulation (EC) No 1221/2009 of the European Parliament and of the Council\(^57\), and should take account of Commission Recommendation 2013/179/EU\(^58\) and its annexes, and their updates. Other relevant Union legislation, including Directive 2010/75/EU of the European Parliament and of the Council\(^59\), and requirements laid down in Union law for undertakings as regards directors’ duties and due diligence, should also be taken into account.


Justification

Editorial amendment.

Amendment 11

Proposal for a directive

Recital 37

Text proposed by the Commission

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the

Amendment

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should ensure consistency with existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the
Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.

_Justification_

Emphasizing that EU reporting standards should be consistent with the work done internationally, and be complementary where necessary.

**Amendment 12**

**Proposal for a directive**

*Recital 43*

(Text proposed by the Commission)

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. Such information should cover the impacts of undertakings on people, including on human health. The information that undertakings disclose

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. Such information should cover the impacts of undertakings on people. The information that undertakings disclose about human rights should include
about human rights should include information about forced labour in their value chains where relevant. Reporting standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including equal opportunities for all and working conditions. The European Pillar of Social Rights Action Plan adopted in March 2021 calls for stronger requirements on undertakings to report on social issues. The reporting standards should also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, and the Charter of Fundamental Rights of the European Union.

Justification

Unnecessary addition as this should already be addressed by Directive 89/391/EEC.

Amendment 13

Proposal for a directive
Recital 47

Text proposed by the Commission

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to

Amendment

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to
Introducing more time for developing technical standards to allow for sufficient time to get it done right rather than fast. Furthermore, your rapporteur considers that more time between every review will provide reporting companies with increased predictability.

Amendment 14

Proposal for a directive
Recital 71

Text proposed by the Commission

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to

Amendment

deleted
publish the results of such assessments.
Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.

Or. en

Justification

See justification for amendment 3.

Amendment 15

Proposal for a directive
Article 1 – paragraph 1 – point 1
Directive 2013/34/EU
Article 1 – paragraph 3 – introductory part

Text proposed by the Commission

3. The coordination measures prescribed by Articles 19a, 19d, 29a, 30 and 33, Article 34(1), second subparagraph, point (aa), paragraphs 2 and 3 of Article 34, and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form:

Amendment

3. The coordination measures prescribed by Articles 19a, 19d, 29a, 30 and 33, Article 34(1), second subparagraph, point (aa), paragraphs 2 and 3 of Article 34, and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided they are large undertakings exceeding on their balance sheet dates the criterion of the average number of 500 employees during the financial year:

Or. en

Justification

As per the ECB' opinion. Furthermore see justification for amendment 1.

Amendment 16

Proposal for a directive
Article 1 – paragraph 1 – point 2

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Directive 2013/34/EU
Article 2 – paragraph 1 – point 19

Text proposed by the Commission

(19) ‘intangibles’ means non-physical resources that contribute to the undertaking’s value creation;

Amendment

(19) ‘intangibles’ means non-physical resources that contribute to the undertaking’s value creation;

Or. en

Amendment 17
Proposal for a directive
Article 1 – paragraph 1 – point 3

Text proposed by the Commission

1. Large undertakings and, as of 1 January 2026, small and medium-sized undertakings which are undertakings referred to in Article 2, point (1), point (a), shall include in the management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.

Amendment

1. Large undertakings which are public-interest entities exceeding on their balance sheet date the criterion of the average number of 500 employees during the financial year shall include in the management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.

Or. en

Amendment 18
Proposal for a directive
Article 1 – paragraph 1 – point 3

Text proposed by the Commission

1. Large undertakings and, as of 1 January 2026, small and medium-sized undertakings which are undertakings referred to in Article 2, point (1), point (a), shall include in the management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.

Amendment

1. Large undertakings which are public-interest entities exceeding on their balance sheet date the criterion of the average number of 500 employees during the financial year shall include in the management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.

Or. en

Justification

See justification for amendment 6.

And justifications for amendments 1 and 3.
Directive 2013/34/EU
Article 19a – paragraph 2 – point a – point i

Text proposed by the Commission
  (i) the resilience of the undertaking's business model and strategy to risks related to sustainability matters;

Amendment
  (i) the resilience of the undertaking's business model and strategy to risks related to sustainability matters and climate change in particular;

Justification

Your rapporteur believes that the main focus of the reporting requirement should be the climate aspect.

Amendment 19

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2013/34/EU
Article 19a – paragraph 2 – point a – point ii

Text proposed by the Commission
  (ii) the opportunities for the undertaking related to sustainability matters;

Amendment
  (ii) the opportunities for the undertaking related to sustainability matters and mainly transition to a carbon-neutral economy;

Justification

See justification for amendment 18.

Amendment 20

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2013/34/EU
Article 19a – paragraph 2 – point a – point iv
Text proposed by the Commission

(iv) how the undertaking’s business model and strategy take account of the interests of the undertaking’s stakeholders and of the impacts of the undertaking on sustainability matters;

Amendment

(iv) how the undertaking’s business model and strategy take account of the impacts of the undertaking on sustainability matters;

Justification

Stakeholder is a vague term and adds to unclarity without providing obvious added value. Furthermore, reporting under this legislation should focus on sustainability matters.

Amendment 21

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2013/34/EU
Article 19a – paragraph 2 – point e – point ii

Text proposed by the Commission

(ii) the principal actual or potential adverse impacts connected with the undertaking’s value chain, including its own operations, its products and services, its business relationships and its supply chain;

Amendment

(ii) the principal actual impacts connected with the undertaking’s value chain, including its own operations, its products and services, its business relationships and its supply chain;

Justification

See justification for amendment 4.

Amendment 22

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2013/34/EU
Article 19a – paragraph 2 – point e – point iii
Text proposed by the Commission

(iii) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;

Amendment

(iii) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual impacts;

Or. en

Justification

See justification for amendment 4.

Amendment 23

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2013/34/EU
Article 19a – paragraph 2 – subparagraph 2

Text proposed by the Commission

Undertakings shall also disclose deleted information on intangibles, including information on intellectual, human, and social and relationship capital.

Amendment

Undertakings shall report the process carried out to identify the information that they have included in the management

Justification

See justification for amendment 6.

Amendment 24

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2013/34/EU
Article 19a – paragraph 2 – subparagraph 3

Text proposed by the Commission

Undertakings shall report the process carried out to identify the information that they have included in the management

Amendment

Undertakings shall report the process carried out to identify the information that they have included in the management
The information referred to in paragraphs 1 and 2 shall contain forward-looking and retrospective information, and qualitative and quantitative information.

The information referred to in paragraphs 1 and 2 shall contain retrospective and, when relevant, forward-looking information. The information shall combine qualitative and quantitative information to ensure that the most relevant information is reported under each standard. Where appropriate, the information shall take into account short, medium and long-term time horizons.

Reporting should be proportional and relevant. Also, editorial change in line with amendment 24.

Amendment 26
Member States may allow information relating to impending developments or matters in the course of negotiation to be omitted in *exceptional* cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking's development, performance, position and impact of its activity.

Member States may allow information relating to impending developments or matters in the course of negotiation to be omitted in *certain* cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial *and competitive* position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking's development, performance, position and impact of its activity.

*Justification*

*Your rapporteur believes that reporting should not put the undertaking at a competitive disadvantage.*

**Amendment 27**

Proposal for a directive  
Article 1 – paragraph 1 – point 3  
Directive 2013/34/EU  
Article 19a – paragraph 3 – subparagraph 4 a (new)

*Text proposed by the Commission*  
*Amendment*

*The Commission shall prepare non-binding guidelines, taking into consideration technical advice from EFRAG, on appropriate methodology to generate the forward-looking information to be provided in the reporting. The guidelines shall be short and concise and take into account the administrative burden of the reporting undertaking.*
As the Commission states, "there is currently a lack of forward-looking disclosures". The Commission should therefore provide guidance in this area.

**Amendment 28**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 3**  
Directive 2013/34/EU  
Article 19a – paragraph 5

**Text proposed by the Commission**

5. By way of derogation from Article 19a, paragraphs 1 to 4, small and medium sized undertakings referred to in Article 2, point (1), point (a), may report in accordance with the sustainability reporting standards for small and medium sized undertakings referred to in Article 19c.

**Amendment**

deleted

**Justification**

See justification for amendment 3.

**Amendment 29**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 4 – introductory part**

**Text proposed by the Commission**

(4) the following Articles 19b, **19c** and 19d are inserted:  

**Amendment**

(4) the following Articles 19b and 19d are inserted:

**Justification**

See justification for amendment 3.
Amendment 30

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

(a) by 31 October 2022, the Commission shall adopt delegated acts specifying the information that undertakings are to report in accordance with paragraphs 1 and 2 of Article 19a, and at least specifying information corresponding to the needs of financial market participants subject to the disclosure obligations of Regulation (EU) 2019/2088.

Amendment

(a) by 31 October 2023, the Commission shall adopt delegated acts specifying the information that undertakings are to report in accordance with paragraphs 1 and 2 of Article 19a, and at least specifying information corresponding to the needs of financial market participants subject to the disclosure obligations of Regulation (EU) 2019/2088.

Or. en

Justification

See justification for amendment 13.

Amendment 31

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 1 – subparagraph 1 – point b – introductory part

Text proposed by the Commission

(b) by 31 October 2023, the Commission shall adopt delegated acts specifying:

Amendment

(b) by 31 October 2024, the Commission shall adopt delegated acts specifying:

Or. en

Justification

See justification for amendment 13.
Amendment 32

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 1 – subparagraph 2

**Text proposed by the Commission**

The Commission shall, at least every three years after its date of application, review any delegated act adopted pursuant to this Article, taking into consideration the technical advice of the European Financial Reporting Advisory Group (EFRAG), and where necessary shall amend such delegated act to take into account relevant developments, including developments with regard to international standards.

**Amendment**

The Commission shall every five years after its date of application, review any delegated act adopted pursuant to this Article, taking into consideration the technical advice of the European Financial Reporting Advisory Group (EFRAG), and where necessary shall amend such delegated act to ensure consistency with relevant developments, including developments with regard to international standards.

**Justification**

See justification for amendment 13.

Amendment 33

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 1 – subparagraph 2 a (new)

**Text proposed by the Commission**

Any new reporting requirements set out in such delegated acts shall not be applicable earlier than twelve months from the date of their entry into force.

**Amendment**

Or. en

**Justification**

See justification for amendment 13. Also, your rapporteur considers that implementation will be difficult should they enter into force mid-year.

EN
Amendment 34

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 2 – subparagraph 2 – point b – introductory part

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) specify the information that undertakings are to disclose about social factors, <strong>including</strong> information about:</td>
<td>(b) specify the information that undertakings are to disclose about social factors, <strong>limited to</strong> information about:</td>
</tr>
</tbody>
</table>

*Or. en*

**Justification**

To provide clarity and certainty for reporting companies, as well predictability, the list of information on social factors should not be open-ended.

Amendment 35

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 2 – subparagraph 2 – point b – point ii

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii) working conditions, including secure and adaptable employment, wages, social dialogue, collective bargaining and the involvement of workers, <strong>work-life balance, and a healthy, safe and well-adapted work environment</strong>;</td>
<td>(ii) working conditions, including secure and adaptable employment, wages, social dialogue, collective bargaining and the involvement of workers <strong>and the respect of safety and health of employees and workers standards established by Council Directive 89/391/EEC</strong>;</td>
</tr>
</tbody>
</table>

*Or. en*

Amendment 36

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 2 – subparagraph 2 – point c – introductory part

Text proposed by the Commission
(c) specify the information that undertakings are to disclose about governance factors, including information about:

Amendment
(c) specify the information that undertakings are to disclose about governance factors, limited to information about:

Justification
See justification for amendment 34.

Amendment 37

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 2 – subparagraph 2 – point c – point iii

Text proposed by the Commission
(iii) political engagements of the undertaking, including its lobbying activities;

Amendment
(iii) direct political influence on the formulation or implementation of policy and the decision-making processes;

Justification
Your rapporteur considers it feasible to use wording inspired by the EU transparency register.
Amendment 38
Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 2 – subparagraph 2a (new)

Text proposed by the Commission

Amendment

For the purposes of the second subparagraph, points (i) to (vi) shall be the same as the definitions under Regulation (EU) 2020/852 of the European Parliament and of the Council* and the associated delegated acts.

__________________


Or. en

Justification

Alignment with the definitions under Taxonomy regulation.

Amendment 39
Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 3 – introductory part

Text proposed by the Commission

Amendment

3. When adopting delegated acts pursuant to paragraph 1, the Commission shall take account of:

3. When adopting delegated acts pursuant to paragraph 1, the Commission shall ensure consistency with the work of global standard-setting initiatives for sustainability reporting, and existing standards and frameworks for natural capital accounting, responsible business conduct, corporate social responsibility,
and sustainable development.

The Commission shall furthermore take account of:

Or. en

Justification

See justification for amendment 9.

Amendment 40

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 3 – point a

Text proposed by the Commission

(a) the work of global standard-setting initiatives for sustainability reporting, and existing standards and frameworks for natural capital accounting, responsible business conduct, corporate social responsibility, and sustainable development;

Amendment

deletion

Or. en

Justification

See justification for amendment 9.

Amendment 41

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2013/34/EU
Article 19b – paragraph 3 – point c

Text proposed by the Commission

(c) the criteria set out in the delegated acts adopted pursuant to Regulation (EU) 2020/852*;

Amendment

(c) the criteria, indicators and methodologies set out in the delegated acts adopted pursuant to Regulation (EU)
2020/852*7;  


**Justification**

_Editorial change in order to streamline with other EU legislation._

**Amendment 42**

**Proposal for a directive**

_Article 1 – paragraph 1 – point 4_  
Directives 2013/34/EU  
Article 19b – paragraph 3 – point h a (new)

<table>
<thead>
<tr>
<th><strong>Text proposed by the Commission</strong></th>
<th><strong>Amendment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(ha) <strong>administrative burden and costs of the undertakings within the scope of this Directive.</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Justification**

_Your rapporteur considers it reasonable to consider the burden on reporting companies._

**Amendment 43**

**Proposal for a directive**

_Article 1 – paragraph 1 – point 4_  
Directives 2013/34/EU  
Article 19c

<table>
<thead>
<tr>
<th><strong>Text proposed by the Commission</strong></th>
<th><strong>Amendment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Article 19c</strong></td>
<td><strong>deleted</strong></td>
</tr>
</tbody>
</table>

PA\1244320EN.docx 33/47 PE700.636v01-00
**Sustainability reporting standards for SMEs**

The Commission shall adopt delegated acts in accordance with Article 49 to provide for sustainability reporting standards proportionate to the capacities and characteristics of small and medium-sized undertakings. Those sustainability reporting standards shall specify which information referred to in Articles 19a and 29a small and medium-sized undertakings referred to in Article 2, point (1)(a) shall report. They shall take into account the criteria set out in Article 19b, paragraphs 2 and 3. They shall also, where relevant, specify the structure in which that information shall be reported.

The Commission shall adopt those delegated acts at the latest by 31 October 2023.

**Justification**

See justification for amendment 3.

**Amendment 44**

Proposal for a directive

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 1

**Text proposed by the Commission**

1. Parent undertakings of a large group shall include in the consolidated management report information necessary to understand the group's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group's development, performance and position.

**Amendment**

1. **Public-interest entities which are parent undertakings of a large group exceeding on its balance sheet dates, on a consolidated basis, the criterion of the average number of 500 employees during the financial year** shall include in the consolidated management report information necessary to understand the group's impacts on sustainability matters, and information necessary to understand
how sustainability matters affect the group's development, performance and position.

Or. en

Justification

See justification for amendment 1.

Amendment 45

Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 2 – point a – point i

Text proposed by the Commission

(i) the resilience of the group's business model and strategy to risks related to sustainability matters;

Amendment

(i) the resilience of the group's business model and strategy to risks related to sustainability matters and climate change in particular;

Or. en

Justification

See justification for amendment 18.

Amendment 46

Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 2 – point a – point ii

Text proposed by the Commission

(ii) the opportunities for the group related to sustainability matters;

Amendment

(ii) the opportunities for the group related to sustainability matters and mainly transition to a carbon-neutral economy;

Or. en

PA\1244320EN.docx 35/47 PE700.636v01-00
**Justification**

See justification for amendment 18.

**Amendment 47**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 2 – point a – point iv

**Text proposed by the Commission**

(iv) how the group’s business model and strategy take account of the interests of the group’s stakeholders and of the impacts of the group on sustainability matters;

**Amendment**

(iv) how the group’s business model and strategy take account of the impacts of the group on sustainability matters;

Or. en

**Justification**

See justification for amendment 4.

**Amendment 48**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 2 – point e – point ii

**Text proposed by the Commission**

(ii) the principal actual or potential adverse impacts connected with the group’s value chain, including its own operations, its products and services, its business relationships and its supply chain;

**Amendment**

(ii) the principal actual impacts connected with the group’s value chain, including its own operations, its products and services, its business relationships and its supply chain;

Or. en

**Justification**

See justification for amendment 4.
Amendment 49

Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 2 – point e – point iii

Text proposed by the Commission

(iii) any actions taken, and the result of such actions, to prevent, mitigate or remEDIATE actual or potential adverse impacts;

Amendment

(iii) any actions taken, and the result of such actions, to prevent, mitigate or remediate actual impacts;

Or. en

Justification

See justification for amendment 4.

Amendment 50

Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 2 – subparagraph 2

Text proposed by the Commission

Parent undertakings shall also report information on intangibles, including information on intellectual, human, and social and relationship capital.

Amendment

deleted

Or. en

Justification

See justification for amendment 6.

Amendment 51

Proposal for a directive
Article 1 – paragraph 1 – point 7
Parent undertakings shall describe the process carried out to identify the information that they have included in the consolidated management report in accordance with this Article.

Parent undertakings shall describe the process carried out to identify the information that they have included in the consolidated management report in accordance with paragraph 1.

Justification

Consistency with format of Article 19a.

Amendment 52

Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 3 – subparagraph 1

The information referred to in paragraphs 1 and 2 shall contain forward-looking information and information about past performance, and qualitative and quantitative information. This information shall take into account short, medium and long-term time horizons, where appropriate.

The information referred to in paragraphs 1 and 2 shall contain retrospective and, when relevant, forward-looking information. The information shall combine qualitative and quantitative information to ensure that the most relevant information is reported under each standard. Where appropriate, this information shall take into account short, medium and long-term time horizons.

Justification

Alignment with amendment 25.
Amendment 53
Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 3 – subparagraph 2

Text proposed by the Commission

The information referred to in paragraphs 1 and 2 shall include information about the group’s value chain, including its own operations, its products and services, its business relationships and its supply chain, where appropriate.

Amendment

Where appropriate, the information referred to in paragraphs 1 and 2 shall include information about the group’s value chain, including its own operations, its products and services, its business relationships and its supply chain.

Or. en

Justification
Editorial amendment.

Amendment 54
Proposal for a directive
Article 1 – paragraph 1 – point 7
Directive 2013/34/EU
Article 29a – paragraph 3 – subparagraph 3

Text proposed by the Commission

The information referred to in paragraphs 1 and 2 shall also, where appropriate, include references to, and additional explanations of, other information included in the consolidated management report in accordance with Article 29 of this Directive and amounts reported in the consolidated financial statements.

Amendment

Where appropriate, the information referred to in paragraphs 1 and 2 shall also contain references to, and additional explanations of, other information included in the consolidated management report in accordance with Article 29 of this Directive and amounts reported in the consolidated financial statements.

Or. en

Justification
Editorial amendment.
Amendment 55

Proposal for a directive  
Article 1 – paragraph 1 – point 7  
Directive 2013/34/EU  
Article 29a – paragraph 3 – subparagraph 4

Text proposed by the Commission

Member States may allow information relating to impending developments or matters in the course of negotiation to be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, position and impact of its activity.

Amendment

Member States may allow information relating to impending developments or matters in the course of negotiation to be omitted in certain cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial and competitive position of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, position and impact of its activity.

Or. en

Justification

See justification for amendment 26.

Amendment 56

Proposal for a directive  
Article 1 – paragraph 1 – point 7  
Directive 2013/34/EU  
Article 29a – paragraph 5

Text proposed by the Commission

5. By way of derogation from Article 29a, paragraphs 1-4, parent undertakings that are small and medium sized undertakings referred to in Article 2, point (1), point (a), may report in

Amendment

deleted
accordance with the sustainability reporting standards for small and medium sized undertakings referred to in Article 19c.

Justification
See justification for amendment 3.

Amendment 57

Proposal for a directive
Article 1 – paragraph 1 – point 9
Directive 2013/34/EU
Article 33 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that the following documents are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002, with Delegated Regulation 2019/815, with the sustainability reporting standards referred to in Article 19b of this Directive, and with the requirements of Article 19d of this Directive:

Amendment

1. Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law and clearly defined division of responsibility, ensure that the following documents are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002, with Delegated Regulation 2019/815, with the sustainability reporting standards referred to in Article 19b of this Directive, and with the requirements of Article 19d of this Directive:

Justification

Member states should ensure certainty as regards to who does what in decision making.
Amendment 58

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point a
Directive 2013/34/EU
Article 49 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Article 1(2), Article 3(13), Article 46(2), Article 19b and Article 19c shall be conferred on the Commission for an indeterminate period of time.

Amendment

2. The power to adopt delegated acts referred to in Article 1(2), Article 3(13), Article 46(2) and Article 19b shall be conferred on the Commission for an indeterminate period of time.

Justification

See justification for amendment 3.

Amendment 59

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point a
Directive 2013/34/EU
Article 49 – paragraph 3

Text proposed by the Commission

3. The delegation of power referred to in Article 1(2), Article 3(13), Article 46(2), Article 19b and Article 19c may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of that decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

3. The delegation of power referred to in Article 1(2), Article 3(13), Article 46(2) and Article 19b may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of that decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Justification

See justification for amendment 3.
Amendment 60

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point b
Directive 2013/34/EU
Article 49 – paragraph 3a – subparagraph 1

Text proposed by the Commission
When adopting delegated acts pursuant to Articles 19b and 19c, the Commission shall take into consideration technical advice from EFRAG, provided such advice has been developed with proper due process, public oversight and transparency and with the expertise of relevant stakeholders, and is accompanied by cost-benefit analyses that include analyses of the impacts of the technical advice on sustainability matters.

Amendment
When adopting delegated acts pursuant to Article 19b, the Commission shall ensure consistency with the development of international standards and take into consideration technical advice from EFRAG, provided such advice has been developed with proper due process, public oversight and transparency and with the expertise of relevant stakeholders, and is accompanied by cost-benefit analyses that include analyses of the impacts of the technical advice on sustainability matters.

Justification
See justification for amendments 3 and 9.

Amendment 61

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point b
Directive 2013/34/EU
Article 49 – paragraph 3a – subparagraph 2

Text proposed by the Commission
The Commission shall consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on the technical advice provided by EFRAG prior to the adoption of the

Amendment
The Commission shall consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on the technical advice provided by EFRAG prior to the adoption of the
delegated acts referred to in *Articles 19b* and *19c*. 

**Justification**

See justification for amendment 3.

**Amendment 62**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 11 – point b**

Directive 2013/34/EU

Article 49 – paragraph 3a – subparagraph 4

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Commission shall also consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance established pursuant to Article 20 of Regulation (EU) 2020/852 on the technical advice provided by EFRAG prior to the adoption of delegated acts referred to in <em>Articles 19b and 19c</em>. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.;</td>
<td>The Commission shall also consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance established pursuant to Article 20 of Regulation (EU) 2020/852 on the technical advice provided by EFRAG prior to the adoption of delegated acts referred to in <em>Article 19b</em>. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.;</td>
</tr>
</tbody>
</table>

**Justification**

See justification for amendment 3.
Amendment 63

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point c
Directive 2013/34/EU
Article 49 – paragraph 5

Text proposed by the Commission

5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 46(2), Article 19b and Article 19c shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Amendment

5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 46(2) and Article 19b shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of four months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by four months at the initiative of the European Parliament or the Council.

Justification

See justification for amendment 3 and 13.

Amendment 64

Proposal for a directive
Article 2 – paragraph 1 – point 4
Directive 2004/109/EC
Article 28d – paragraph 1

Text proposed by the Commission

After consulting the European Environment Agency and the European Union Agency for Fundamental Rights, ESMA shall issue guidelines in accordance with Article 16 of Regulation 1095/2010 on the supervision of sustainability reporting by national competent authorities.

Amendment

ESMA shall issue guidelines in accordance with Article 16 of Regulation 1095/2010 on the supervision of sustainability reporting by national competent authorities.
Your rapporteur considers the inclusion of these two agencies arbitrary.

Amendment 65

Proposal for a directive
Article 5 – paragraph 1 – subparagraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Articles 1 to 3 of this Directive by 1 December 2022. They shall immediately inform the Commission thereof.</td>
<td>Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Articles 1 to 3 of this Directive by 1 December 2023. They shall immediately inform the Commission thereof.</td>
</tr>
</tbody>
</table>

Justification

See justification for amendment 11.

Amendment 66

Proposal for a directive
Article 5 – paragraph 1 – subparagraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member States shall provide that the provisions referred to in the first subparagraph shall apply for financial years starting on or after 1 January 2023</td>
<td>Member States shall provide that the provisions referred to in the first subparagraph shall apply for financial years starting on or after 1 January 2024.</td>
</tr>
</tbody>
</table>

Justification

See justification for amendment 13.
Amendment 67

Proposal for a directive
Article 6 – paragraph 1

Text proposed by the Commission

Article 4 of this Directive shall apply to financial years starting on or after 1 January 2023.

Amendment

Article 4 of this Directive shall apply to financial years starting on or after 1 January 2024.

Or. en

Justification

See justification for amendment 13.