AMENDMENTS
91 - 428

Draft opinion
Tiemo Wölken
(734.465v01-00)

on the proposal for a directive of the European Parliament and of the Council
on Corporate Sustainability Due Diligence and amending Directive (EU)
2019/1937

Proposal for a directive
(COM2022)0071 – C9-0050/2022 – 2022/0051(COD))
Amendment 91
Marie Toussaint

Proposal for a directive
Recital 1

Text proposed by the Commission

(1) The Union is founded on the respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights as enshrined in the EU Charter of Fundamental Rights. Those core values that have inspired the Union’s own creation, as well as the universality and indivisibility of human rights, and respect for the principles of the United Nations Charter and international law, should guide the Union’s action on the international scene. Such action includes fostering the sustainable economic, social and environmental development of developing countries.

Amendment

(1) The Union is founded on the respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights as enshrined in the EU Charter of Fundamental Rights. Article 191 of the Treaty on the Functioning of the European Union (TFEU) states that Union policy shall contribute to preserving, protecting and improving the quality of the environment, protecting human health, prudent and rational utilisation of natural resources and promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change. Those core values that have inspired the Union’s own creation, as well as the universality and indivisibility of human and environmental rights, and respect for the principles of the United Nations Charter and international law, should guide the Union’s action on the international scene. Such action includes fostering the sustainable economic, social and environmental development of developing countries.

Or. en

Amendment 92
Stanislav Polčák

Proposal for a directive
Recital 1

Text proposed by the Commission

(1) The Union is founded on the

Amendment

(1) The Union is founded on the
respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights as enshrined in the EU Charter of Fundamental Rights. Those core values that have inspired the Union’s own creation, as well as the universality and indivisibility of human rights, and respect for the principles of the United Nations Charter and international law, should guide the Union’s action on the international scene. Such action includes fostering the sustainable economic, social and environmental development of developing countries.

Amendment 93
Maria Arena

Proposal for a directive
Recital 2

Text proposed by the Commission

(2) A high level of protection and improvement of the quality of the environment and promoting European core values are among the priorities of the Union, as set out in the Commission’s Communication on A European Green Deal74. These objectives require the involvement not only of the public authorities but also of private actors, in particular companies.

Amendment

(2) A high level of protection and improvement of the quality of the environment, achieving climate neutrality by 2050, and promoting European core values are among the priorities of the Union, as set out in the Commission’s Communication on A European Green Deal74. These objectives require the involvement not only of the public authorities but also of private actors, in particular companies. To achieve these objectives, the green transition should ensure that the Union economy respects planetary boundaries, is achieved in a just and inclusive way, and contributes to reducing inequalities and ensuring the right to a clean, healthy, and sustainable environment.

74 Communication from the Commission to the European Parliament the European
Council, the Council, the European Economic and Social Committee and the Committee of the Region “The European Green Deal” (COM/2019/640 final).

Amendment 94
Marie Toussaint

Proposal for a directive
Recital 2

*Text proposed by the Commission*

(2) A high level of protection and improvement of the quality of the environment and promoting European core values are among the priorities of the Union, as set out in the Commission’s Communication on A European Green Deal\(^4\). These objectives require the involvement not only of the public authorities but also of private actors, in particular companies.

*Amendment*

(2) A high level of protection and improvement of the quality of the environment, *climate neutrality* and promoting European core values are among the priorities of the Union, as set out in the Commission’s Communication on A European Green Deal\(^4\). These objectives require the involvement not only of the public authorities but also of private actors, in particular companies.

\(^{74}\) Communication from the Commission to the European Parliament the European Council, the Council, the European Economic and Social Committee and the Committee of the Region “The European Green Deal” (COM/2019/640 final).

Amendment 95
Marie Toussaint

Proposal for a directive
Recital 2 a (new)

*Text proposed by the Commission*

(2a) To achieve these objectives, a

*Amendment*

(2a) To achieve these objectives, a
systemic change to the Union economy is needed to ensure well-being within planetary boundaries where growth is regenerative and should also ensure that the green transition is achieved in a just and inclusive way, whilst contributing to reducing inequalities and ensuring the right to a healthy environment. According to a model developed by the Stockholm Resilience Centre, the achievement of the environmental-and climate-related Sustainable Development Goals (SDGs) underpins the social and economic SDGs because our societies and economies depend on a healthy biosphere and because sustainable development can only take place within the safe operating space of a stable and resilient planet. Achievement of the SDGs by the Union and its support for third countries to do the same will be essential if the Union is to demonstrate global leadership in achieving sustainability transitions\textsuperscript{1a}.

\textsuperscript{1a} Decision (EU) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030.

Amendment 96
Antoni Comín i Oliveres
Proposal for a directive
Recital 2 a (new)

\textit{Text proposed by the Commission} \hspace{1cm} \textit{Amendment}

\textit{(2a)} Article 208 of the Treaty on the functioning of the European Union (TFEU) establishes the Union shall take into account the objectives of development cooperation in the policies that it implements which are likely to affect
developing countries.

Amendment 97
Alexandr Vondra

Proposal for a directive
Recital 3

**Text proposed by the Commission**

(3) In its Communication on a Strong Social Europe for Just Transition\(^{75}\), the Commission committed to upgrading Europe’s social market economy to achieve a just transition to sustainability. This Directive will also contribute to the European Pillar of Social Rights, which promotes rights ensuring fair working conditions. It forms part of the EU policies and strategies relating to the promotion of decent work worldwide, including in global value chains, as referred to in the Commission Communication on decent work worldwide\(^{76}\).

**Amendment**

(3) In its Communication on a Strong Social Europe for Just Transition\(^{75}\), the Commission committed to upgrading Europe’s social market economy to achieve a just transition to sustainability. This Directive will also contribute to the European Pillar of Social Rights, which promotes rights ensuring fair working conditions. It forms part of the EU policies and strategies relating to the promotion of decent work worldwide, including in global supply chains, as referred to in the Commission Communication on decent work worldwide\(^{76}\).

---

\(^{75}\) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A Strong Social Europe for Just Transitions (COM/2020/14 final).

\(^{76}\) Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on decent work worldwide for a global just transition and a sustainable recovery, COM(2022) 66 final.

---

*Justification*

_The Commission Communication on decent work worldwide only speaks about global supply_
chains.

Amendment 98
Marie Toussaint

Proposal for a directive
Recital 4

Text proposed by the Commission

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones, rely on global value chains. It is also in the interest of companies to protect human rights and the environment, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union77, as well as national78 level.

78 E.g.
https://www.economie.gouv.fr/entreprises/societe-mission

Amendment

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones, rely on global value chains. It is also in the interest of companies to protect human rights, the environment, climate and more globally all planetary boundaries, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union77, as well as national78 level. Furthermore, ensuring that social inequalities resulting from human rights, environmental and climate related impacts and policies are prevented and resolved and that measures taken to protect human rights, the environment and climate are carried out in a socially just and inclusive way, including by incorporating a gender perspective at all stages of the due diligence process.

78 E.g.
https://www.economie.gouv.fr/entreprises/societe-mission

Or. en
(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones, rely on global value chains. It is also in the interest of companies to protect human rights and the environment, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union⁷⁷, as well as national level⁷⁸.

Amendment

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones, rely on global value chains. It is also in the interest of companies to protect human rights and the environment, in particular given the need for long-term sustainability as a prerequisite for ensuring economic development for future generations and the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union⁷⁷, as well as national level⁷⁸.

---


⁷⁸ E.g. https://www.economie.gouv.fr/entreprises/societe-mission

---

Amendment 100
Maria Arena

Proposal for a directive
Recital 4

Text proposed by the Commission

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones,

Amendment

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones,
rely on global value chains. It is also in the interest of companies to protect human rights and the environment, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union\textsuperscript{77}, as well as national\textsuperscript{78} level.


\textsuperscript{78} E.g. https://www.economie.gouv.fr/entreprises/societe-mission

\textbf{Amendment 101}
\textbf{Antoni Comín i Oliveres}

\textbf{Proposal for a directive}
\textbf{Recital 4}

\textit{Text proposed by the Commission}

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones, rely on global value chains. It is also in the interest of companies to protect human rights and the environment, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union\textsuperscript{77}, as well as national\textsuperscript{78} level.

\textsuperscript{77} ‘Enterprise Models and the EU agenda’, CEPS Policy Insights, No PI2021-02/

\textbf{Amendment}

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as Union companies, especially large ones, rely on global value chains. It is also in the interest of companies to protect human rights, labour rights and the environment, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union\textsuperscript{77}, as well as national\textsuperscript{78} level.

\textsuperscript{77} ‘Enterprise Models and the EU agenda’, CEPS Policy Insights, No PI2021-02/
Amendment 102  
Sirpa Pietikäinen  
Proposal for a directive  
Recital 5  

Text proposed by the Commission

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^79\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts. Those Guiding Principles state that businesses should avoid infringing human rights and should address adverse human rights impacts that they have caused, contributed to or are linked with in their own operations, subsidiaries and through their direct and indirect business relationships.

Amendment

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^79\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts, paying special attention to the actual and potential adverse impacts on groups or populations that may have a heightened risk of vulnerability or marginalisation, such as girls and women. Those Guiding Principles state that businesses should avoid infringing human rights and should address adverse human rights impacts that they have caused, contributed to or are linked with in their own operations, subsidiaries and through their direct and indirect business relationships.

\(^{79}\) United Nations’ “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and
Proposal for a directive
Recital 5

Text proposed by the Commission

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^{79}\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts. Those Guiding Principles state that businesses should avoid infringing human rights and should address adverse human rights impacts that they have caused, \textit{contributed to or are linked with in their own operations, subsidiaries and through their direct and indirect business relationships}.


Amendment

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^{79}\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts. Those Guiding Principles state that businesses should avoid infringing human rights and should address adverse human rights impacts that they have caused \textit{to the extent possible}.

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^79\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts. Those Guiding Principles state that businesses should avoid infringing human rights and should address adverse human rights impacts that they have caused, contributed to or are linked with in their own operations, subsidiaries and through their direct and indirect business relationships.


---

Amendment 105
Agnès Evren
Proposal for a directive
Recital 5

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^79\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts. Those Guiding Principles state that companies should avoid infringing human rights and should address adverse human rights impacts that they themselves have caused, contributed to or are linked with in their own operations, subsidiaries and through their direct and indirect business relationships.

(5) Existing international standards on responsible business conduct specify that companies should protect human rights and set out how they should address the protection of the environment across their operations and value chains. The United Nations Guiding Principles on Business and Human Rights\(^79\) recognise the responsibility of companies to exercise human rights due diligence by identifying, preventing and mitigating the adverse impacts of their operations on human rights and by accounting for how they address those impacts. Those Guiding Principles state that businesses should avoid infringing human rights and should address adverse human rights impacts that they have caused, contributed to or are linked with in their own operations, subsidiaries and through their \textit{direct and indirect} business relationships.


\textbf{Amendment 106}

\textbf{Aurélie Beigneux}

\textbf{Proposal for a directive}

\textbf{Recital 7}

\begin{tabular}{ll}
\textit{Text proposed by the Commission} & \textit{Amendment} \\
\end{tabular}

\begin{tabular}{l}
\textbf{(7) The United Nations’ Sustainable Development Goals\(^83\), adopted by all United Nations Member States in 2015, include the objectives to promote} \\
\end{tabular}

\begin{tabular}{l}
\textbf{deleted} \\
\end{tabular}

\textbf{Or. fr}
sustained, inclusive and sustainable economic growth. The Union has set itself the objective to deliver on the UN Sustainable Development Goals. The private sector contributes to those aims.

(7) The United Nations’ Sustainable Development Goals\(^3\), adopted by all United Nations Member States in 2015, include the objectives to promote sustained, inclusive and sustainable economic growth. The Union has set itself the objective to deliver on the UN Sustainable Development Goals. The role of the private sector is crucial to achieving those aims.

Amendment 107
Stanislav Polčák
Proposal for a directive
Recital 7

Text proposed by the Commission

(7) The United Nations’ Sustainable Development Goals\(^3\), adopted by all United Nations Member States in 2015, include the objectives to promote sustained, inclusive and sustainable economic growth. The Union has set itself the objective to deliver on the UN Sustainable Development Goals. The private sector contributes to those aims.

Amendment

(7) The United Nations’ Sustainable Development Goals\(^3\), adopted by all United Nations Member States in 2015, include the objectives to promote sustained, inclusive and sustainable economic growth. The Union has set itself the objective to deliver on the UN Sustainable Development Goals. The role of the private sector is crucial to achieving those aims.

Amendment 108
Antoni Comín i Oliveres
Proposal for a directive
Recital 7

(7) The United Nations’ Sustainable Development Goals\textsuperscript{83}, adopted by all United Nations Member States in 2015, include the objectives to promote sustained, inclusive and sustainable economic growth. The Union has set itself the objective to deliver on the UN Sustainable Development Goals. The private sector \textit{contributes} to those aims.

\textsuperscript{83} https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

---

\textit{Amendment}

(7) The United Nations’ Sustainable Development Goals\textsuperscript{83}, adopted by all United Nations Member States in 2015, include the objectives to promote sustained, inclusive and sustainable economic growth. The Union has set itself the objective to deliver on the UN Sustainable Development Goals. The private sector \textbf{shall contribute} to those aims.

\textsuperscript{83} https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

---

\textbf{Amendment 109}

\textbf{Marie Toussaint}

\textbf{Proposal for a directive}

\textbf{Recital 8}

\textit{Text proposed by the Commission}

(8) International agreements under the United Nations Framework Convention on Climate Change, to which the Union and the Member States are parties, such as the Paris Agreement\textsuperscript{84} and the recent Glasgow Climate Pact\textsuperscript{85}, set out precise avenues to address climate change and keep global warming within 1.5 C degrees. Besides specific actions being expected from all signatory Parties, the role of the private sector, in particular its investment strategies, is considered central to achieve these objectives.

\textsuperscript{84} https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

\textsuperscript{85} https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

\textbf{Or. en}

Indeed, just 100 companies have been the source of more than 70\% of the world’s greenhouse gas emissions since 1988, representing nearly 1 trillion tonnes of greenhouse gas emissions\textsuperscript{2a}. However, there is a
fundamental mismatch between corporate climate commitments and their actual investments to fight against climate change. In 2021, 60% of public communications material from top five supermajor oil companies included a green claim, but only 12% of their capital expenditure (CAPEX) was forecasted to be dedicated to 'low carbon' activities. This Directive is therefore an important legislative tool to avoid any misleading neutrality or other misleading claims and to stop greenwashing and fossil fuels expansion worldwide in order to achieve international and European climate objectives, also recommended by the latest scientific reports.


(8) International agreements under the United Nations Framework Convention on Climate Change, to which the Union and the Member States are parties, such as the Paris Agreement\(^84\) and the recent Glasgow Climate Pact\(^85\), set out **precise avenues to address climate change and keep global warming within 1.5 \( ^\circ \)C degrees.** Besides specific actions being expected from all signatory Parties, the role of the private sector, in particular its investment strategies, is considered central to achieve these objectives.


(9) In the European Climate Law\(^86\), the Union also legally committed to becoming climate-neutral by 2050 and to reducing emissions by at least 55% by 2030. Both these commitments require changing the

---


Or. en
way in which companies produce and procure. The Commission’s 2030 Climate Target Plan\(^{87}\) models various degrees of emission reductions required from different economic sectors, though all need to see considerable reductions under all scenarios for the Union to meet its climate objectives. The Plan also underlines that “changes in corporate governance rules and practices, including on sustainable finance, will make company owners and managers prioritise sustainability objectives in their actions and strategies.” The 2019 Communication on the European Green Deal\(^{88}\) sets out that all Union actions and policies should pull together to help the Union achieve a successful and just transition towards a sustainable future. It also sets out that sustainability should be further embedded into the corporate governance framework.


\(^{87}\) SWD/2020/176 final.
Amendment 112
Alexandr Vondra

Proposal for a directive
Recital 9

Text proposed by the Commission

(9) In the European Climate Law, the Union also legally committed to becoming climate-neutral by 2050 and to reducing emissions by at least 55% by 2030. Both these commitments require changing the way in which companies produce and procure. The Commission’s 2030 Climate Target Plan models various degrees of emission reductions required from different economic sectors, though all need to see considerable reductions under all scenarios for the Union to meet its climate objectives. The Plan also underlines that “changes in corporate governance rules and practices, including on sustainable finance, will make company owners and managers prioritise sustainability objectives in their actions and strategies.” The 2019 Communication on the European Green Deal sets out that all Union actions and policies should pull together to help the Union achieve a successful and just transition towards a sustainable future. It also sets out that sustainability should be further embedded into the corporate governance framework.

Amendment 113
Marie Toussaint

Proposal for a directive
Recital 9 a (new)

Text proposed by the Commission

(9a) The 2030 climate mitigation objective is swift and predictable reduction of greenhouse gas emissions and, at the same time, enhancement of removals by natural sinks in the Union to attain the 2030 greenhouse gas emission reduction target as laid down in Regulation (EU) 2021/1119, in line with the Union’s climate and environment objectives, whilst ensuring a just transition that leaves no one behind. This Directive should support objectives of the 8th EAP which lays down the enabling condition of phasing out of environmentally harmful subsidies, including through setting a deadline for the phasing out of fossil fuel subsidies consistent with the ambition of limiting global warming to 1.5°C as well as a binding Union framework to monitor and report on Member States’ progress towards phasing out fossil fuel subsidies.

Amendment 114
Marie Toussaint
Proposal for a directive
Recital 10 a (new)

Text proposed by the Commission  Amendment

(10a) Due diligence practices under this Directive should contribute to preserving and restoring marine and terrestrial biodiversity and the biodiversity of inland waters inside and outside protected areas by, inter alia, halting, mitigating and reversing biodiversity loss and improving the state of ecosystems and their functions and the services they provide, and by improving the state of the environment, in particular air, water and soil, as well as combating desertification and soil degradation. They should also include advancing towards a well-being economy that gives back to the planet more than it takes and accelerating the transition to a non-toxic circular economy, where growth is regenerative, resources are used efficiently and sustainably, and the waste hierarchy is applied as well as significantly reducing key environmental and climate pressures related to the Union’s production and consumption. Similarly, pursuing zero-pollution, including in relation to harmful chemicals and hazardous substances, in order to achieve a toxic free-environment, including for air, water and soil, as well as in relation to light and noise pollution, and protecting the health and well-being of people, animals and ecosystems from environment-related risks and negative impacts should be part of company’s due diligence objectives.

Or. en

Amendment 115
Maria Arena

Proposal for a directive
Recital 11

Due diligence requirements under this Directive should therefore contribute to preserving and restoring marine and terrestrial biodiversity by, inter alia, halting, mitigating and reversing biodiversity loss and improving the state of ecosystems and their functions and the services they provide, and by improving the state of the environment, in particular air, water and soil, as well as combating desertification and soil degradation. They should also contribute towards accelerating the transition to a non-toxic circular economy, where growth is regenerative, resources are used efficiently and sustainably, and the waste hierarchy is respected as well as significantly reducing key environmental and climate pressures related to the Union’s production and consumption. Due diligence requirements under this Directive should also contribute to the objectives of the Zero Pollution Action Plan of creating a toxic-free environment, including for air, water and soil, as well as in relation to light and noise pollution, and protecting the health and well-being of people, animals and ecosystems from environment-related risks and negative impacts.

__________________
Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Pharmaceutical Strategy for Europe (COM/2020/761 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Pathway to a Healthy Planet for All, EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' COM(2021) 400 final.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a new Circular Economy Action Plan For a cleaner and more competitive Europe (COM/2020/98 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the EU Biodiversity Strategy for 2030 Bringing nature back into our lives (COM/2020/380 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system (COM/2020/381 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Chemicals Strategy for Sustainability Towards a Toxic-Free Environment (COM/2020/667 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on

96 Industry 5.0; https://ec.europa.eu/info/research-and-innovation/research-area/industrial research-and-innovation/industry-50_en


Or. en

Amendment 116
Marie Toussaint

Proposal for a directive
Recital 11

Text proposed by the Commission


Amendment

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Pharmaceutical Strategy for Europe (COM/2020/761 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Pathway to a Healthy Planet for All, EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' COM(2021) 400 final.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A new Circular Economy Action Plan For a cleaner and more competitive Europe (COM/2020/98 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the EU Biodiversity Strategy for 2030 Bringing nature back into our lives (COM/2020/380 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system (COM/2020/381 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Chemicals Strategy for Sustainability Towards a Toxic-Free Environment (COM/2020/667 final).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on

Industry 5.0;


Amendment 117
Stanislav Polčák

Proposal for a directive
Recital 12

Text proposed by the Commission

(12) This Directive is in coherence with the EU Action Plan on Human Rights and Democracy 2020-2024. This Action Plan defines as a priority to strengthen the Union’s engagement to actively promote the global implementation of the United Nations Guiding Principles on Business and Human Rights and other relevant international guidelines such as the OECD Guidelines for Multinational Enterprises, including by advancing relevant due diligence standards.

(Does not affect English version.)

Amendment

99 Joint Communication to the European Parliament and the Council on the EU Action Plan on Human Rights and
Amendment 118
Alexandr Vondra

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) The European Parliament, in its resolution of 10 March 2021 calls upon the Commission to propose Union rules for a comprehensive corporate due diligence obligation. The Council Conclusions on Human Rights and Decent Work in Global Supply Chains of 1 December 2020 called upon the Commission to table a proposal for a Union legal framework on sustainable corporate governance, including cross-sector corporate due diligence obligations along global supply chains. The European Parliament also calls for clarifying directors’ duties in its own initiative report adopted on 2 December 2020 on sustainable corporate governance. In their Joint Declaration on EU Legislative Priorities for 2022, the European Parliament, the Council of the European Union and the Commission have committed, to deliver on an economy that works for people, and to improve the regulatory framework on sustainable corporate governance.

Amendment

(13) The European Parliament, in its resolution of 10 March 2021 calls upon the Commission to propose Union rules for a comprehensive corporate due diligence obligation, it also stressed that it is the responsibility of states and governments to protect human rights and the environment, and this responsibility should not be transferred to private actors. The Council Conclusions on Human Rights and Decent Work in Global Supply Chains of 1 December 2020 called upon the Commission to table a proposal for a Union legal framework on sustainable corporate governance, including cross-sector corporate due diligence obligations along global supply chains. The European Parliament also calls for clarifying directors’ duties in its own initiative report adopted on 2 December 2020 on sustainable corporate governance. In their Joint Declaration on EU Legislative Priorities for 2022, the European Parliament, the Council of the European Union and the Commission have committed, to deliver on an economy that works for people, and to improve the regulatory framework on sustainable corporate governance.

---

100 European Parliament resolution of 10 March 2021 with recommendations to the Commission on corporate due diligence
Amendment 119
Maria Arena

Proposal for a directive
Recital 14

Text proposed by the Commission

(14) This Directive aims to ensure that companies active in the internal market contribute to sustainable development and the sustainability transition of economies and societies through the identification, prevention and mitigation, bringing to an end and minimisation of potential or actual adverse human rights and environmental impacts connected with companies’ own operations, subsidiaries and value chains.

Amendment

(14) This Directive aims to ensure that companies active in the internal market contribute to sustainable development and the sustainability transition of economies and societies through the identification, prevention and mitigation, bringing to an end and minimisation of potential or actual adverse human rights, environmental, and climate impacts connected with companies’ own operations, products throughout their life cycle and services, subsidiaries and value chains.

Amendment 120
Marie Toussaint
Proposal for a directive
Recital 14

Text proposed by the Commission

(14) This Directive aims to ensure that companies active in the internal market contribute to sustainable development and the sustainability transition of economies and societies through the identification, prevention and mitigation, bringing to an end and minimisation of potential or actual adverse human rights and environmental impacts connected with companies’ own operations, subsidiaries and value chains.

Amendment

(14) This Directive aims to ensure that companies active in the internal market contribute to sustainable development and the sustainability transition of economies and societies through the identification, prevention and mitigation, bringing to an end and minimisation of potential or actual adverse human rights, environmental and climate impacts connected with companies’ own operations, products throughout their life cycle and services, subsidiaries and value chains.

Or. en

Amendment 121
Antoni Comín i Oliveres

Proposal for a directive
Recital 14

Text proposed by the Commission

(14) This Directive aims to ensure that companies active in the internal market contribute to sustainable development and the sustainability transition of economies and societies through the identification, prevention and mitigation, bringing to an end and minimisation of potential or actual adverse human rights and environmental impacts connected with companies’ own operations, subsidiaries and value chains.

Amendment

(14) This Directive aims to ensure that companies active in the internal market contribute to sustainable development and the sustainability transition of economies and societies through the identification, prevention and mitigation, bringing to an end minimisation and, where possible, reparation of potential or actual adverse human rights, adverse labour rights and environmental impacts connected with companies’ own operations, subsidiaries and value chains.

Or. en
Amendment 122
Marie Toussaint

Proposal for a directive
Recital 15

Text proposed by the Commission

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

Amendment

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

Or. en
Amendment 123  
Antoni Comín i Oliveres  
Proposal for a directive  
Recital 15  

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 124  
Maria Arena  
Proposal for a directive  
Recital 15
(15) Companies should take appropriate steps to set up and carry out due diligence measures, with respect to their own operations, their subsidiaries, as well as their established direct and indirect business relationships throughout their value chains in accordance with the provisions of this Directive. This Directive should not require companies to guarantee, in all circumstances, that adverse impacts will never occur or that they will be stopped. For example with respect to business relationships where the adverse impact results from State intervention, the company might not be in a position to arrive at such results. Therefore, the main obligations in this Directive should be ‘obligations of means’. The company should take the appropriate measures which can reasonably be expected to result in prevention or minimisation of the adverse impact under the circumstances of the specific case. Account should be taken of the specificities of the company’s value chain, sector or geographical area in which its value chain partners operate, the company’s power to influence its direct and indirect business relationships, and whether the company could increase its power of influence.
measures, with respect to their own operations, their subsidiaries, as well as their established direct and indirect business relationships throughout their value chains in accordance with the provisions of this Directive. This Directive should not require companies to guarantee, in all circumstances, that adverse impacts will never occur or that they will be stopped. For example with respect to business relationships where the adverse impact results from State intervention, the company might not be in a position to arrive at such results. Therefore, the main obligations in this Directive should be ‘obligations of means’. The company should take the appropriate measures which can reasonably be expected to result in prevention or minimisation of the adverse impact under the circumstances of the specific case. Account should be taken of the specificities of the company’s value chain, sector or geographical area in which its value chain partners operate, the company’s power to influence its direct and indirect business relationships, and whether the company could increase its power of influence.

Amendment 126
Maria Arena
Proposal for a directive
Recital 16

Text proposed by the Commission

(16) The due diligence process set out in this Directive should cover the six steps defined by the OECD Due Diligence Guidance for Responsible Business Conduct, which include due diligence measures for companies to identify and address adverse human rights and environmental impacts. This encompasses

Amendment

(16) The due diligence process set out in this Directive should cover the six steps defined by the OECD Due Diligence Guidance for Responsible Business Conduct, which include due diligence measures for companies to identify and address adverse human rights, environmental, and climate impacts. This
the following steps: (1) integrating due diligence into policies and management systems, (2) identifying and assessing adverse human rights and environmental impacts, (3) preventing, ceasing or minimising actual and potential adverse human rights, and environmental impacts, (4) assessing the effectiveness of measures, (5) communicating, (6) providing remediation.

Amendment 127
Marie Toussaint
Proposal for a directive
Recital 16

Text proposed by the Commission

(16) The due diligence process set out in this Directive should cover the six steps defined by the OECD Due Diligence Guidance for Responsible Business Conduct, which include due diligence measures for companies to identify and address adverse human rights and environmental impacts. This encompasses the following steps: (1) integrating due diligence into policies and management systems, (2) identifying and assessing adverse human rights and environmental impacts, (3) preventing, ceasing or minimising actual and potential adverse human rights, and environmental impacts, (4) assessing the effectiveness of measures, (5) communicating, (6) providing remediation.

Amendment

(16) The due diligence process set out in this Directive should cover the six steps defined by the OECD Due Diligence Guidance for Responsible Business Conduct, which include due diligence measures for companies to identify and address adverse human rights, environmental, and climate impacts. This encompasses the following steps: (1) integrating due diligence into policies and management systems, (2) identifying and assessing adverse human rights, environmental, and climate impacts, (3) preventing, ceasing or minimising actual and potential adverse human rights, environmental, and climate impacts, (4) assessing the effectiveness of measures, (5) communicating, (6) providing remediation.

Amendment 128
Stanislav Polčák
Proposal for a directive  
Recital 16  

_{Text proposed by the Commission_}  

(16) The due diligence process set out in this Directive should cover the six steps defined by the OECD Due Diligence Guidance for Responsible Business Conduct, which include due diligence measures for companies to identify and address adverse human rights and environmental impacts. This encompasses the following steps: (1) integrating due diligence into policies and management systems, (2) identifying and assessing adverse human rights and environmental impacts, (3) preventing, ceasing or minimising actual and potential adverse human rights, and environmental impacts, (4) assessing the effectiveness of measures, (5) communicating, (6) providing remediation.

_{Amendment_}  

(16) (Does not affect English version.)

Amendment 129  
Marie Toussaint  

Proposal for a directive  
Recital 17  

_{Text proposed by the Commission_}  

(17) Adverse human rights and environmental impact occur in companies’ own operations, subsidiaries, products, and in their value chains, in particular at the level of raw material sourcing, manufacturing, or at the level of product or waste disposal. In order for the due diligence to have a meaningful impact, it should cover human rights and environmental adverse impacts generated throughout the life-cycle of production and use and disposal of product or provision of services, at the level of own operations,

_{Amendment_}  

(17) Adverse human rights, environmental and climate impact occur in companies’ own operations, subsidiaries, products, and in their value chains, in particular at the level of raw material sourcing, manufacturing, or at the level of product or waste management and disposal. In order for the due diligence to have a meaningful impact, it should cover human rights, environmental and climate adverse impacts generated throughout the life-cycle of production and use, waste management and disposal of product or
subsidiaries and in value chains. provision of services, at the level of own operations, subsidiaries and in value chains.

Amendment 130
Maria Arena

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) Adverse human rights and environmental impact occur in companies’ own operations, subsidiaries, products, and in their value chains, in particular at the level of raw material sourcing, manufacturing, or at the level of product or waste disposal. In order for the due diligence to have a meaningful impact, it should cover human rights and environmental adverse impacts generated throughout the life-cycle of production and use and disposal of product or provision of services, at the level of own operations, subsidiaries and in value chains.

Amendment

(17) Adverse human rights, environmental, and climate impact occur in companies’ own operations, subsidiaries, products, and in their value chains, in particular at the level of raw material sourcing, manufacturing, or at the level of product or waste management and disposal. In order for the due diligence to have a meaningful impact, it should cover human rights, environmental, and climate adverse impacts generated throughout the life-cycle of production, use, waste management, and disposal of product or provision of services, at the level of own operations, subsidiaries and in value chains.

Amendment 131
Antoni Comín i Oliveres

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) Adverse human rights and environmental impact occur in companies’ own operations, subsidiaries, products, and in their value chains, in particular at the

Amendment

(17) Adverse human rights, labour rights and environmental impact occur in companies’ own operations, subsidiaries, products, and in their value chains, in
level of raw material sourcing, manufacturing, or at the level of product or waste disposal. In order for the due diligence to have a meaningful impact, it should cover human rights and environmental adverse impacts generated throughout the life-cycle of production and use and disposal of product or provision of services, at the level of own operations, subsidiaries and in value chains.

Amendment 132
Agnès Evren

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) The value chain should cover activities related to the production of a good or provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of established business relationships of the company. It should encompass upstream established direct and indirect business relationships that design, extract, manufacture, transport, store and supply raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including established direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

Amendment

(18) The value chain should cover activities related to the production of a good or provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of established business relationships of the company. It should encompass upstream established business relationships that design, extract, manufacture, transport, store and supply raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities.
Amendment 133
Maria Arena

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) The value chain should cover activities related to the production of a good or provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of established business relationships of the company. It should encompass upstream established direct and indirect business relationships that design, extract, manufacture, transport, store and supply raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including established direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

Amendment

(18) The value chain should cover all activities related to the production and use of a good or provision of services by a company, including the development of the product or the service and the use, waste management, and disposal of the product as well as the related activities of business relationships of the company. It should encompass upstream direct and indirect business relationships that design, extract, manufacture, transport, store and supply primary and secondary raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including established direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

Or. fr

Amendment 134
Antoni Comín i Oliveres

Proposal for a directive
Recital 18
Text proposed by the Commission

(18) The value chain should cover activities related to the production of a good or provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of established business relationships of the company. It should encompass upstream established direct and indirect business relationships that design, extract, manufacture, transport, store and supply raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

Amendment

(18) The value chain should cover activities related to the production of a good or provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities in the value chain of the company. It should encompass upstream business relationships that design, extract, manufacture, transport, store and supply raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

Amendment 135
Marie Toussaint

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) The value chain should cover activities related to the production of a good or provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of established business relationships of the company. It should encompass upstream established direct and

Amendment

(18) The value chain should cover all activities related to the production and use of a good or provision of services by a company, including the development of the product or the service and the use, waste management and disposal of the product as well as the related activities of business relationships of the company. It should encompass upstream direct and indirect
indirect business relationships that design, extract, manufacture, transport, store and supply raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including established direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

business relationships that design, extract, manufacture, transport, store and supply primary and secondary raw material, products, parts of products, or provide services to the company that are necessary to carry out the company’s activities, and also downstream relationships, including established direct and indirect business relationships, that use or receive products, parts of products or services from the company up to the end of life of the product, including inter alia the distribution of the product to retailers, the transport and storage of the product, dismantling of the product, its recycling, composting or landfilling.

Amendment 136
Mick Wallace, Clare Daly

Proposal for a directive
Recital 19

_Text proposed by the Commission_

(19) **As regards regulated financial undertakings providing loan, credit, or other financial services, “value chain” with respect to the provision of such services should be limited to the activities of the clients receiving such services, and the subsidiaries thereof whose activities are linked to the contract in question.** Clients that are households and natural persons not acting in a professional or business capacity, as well as small and medium sized undertakings, should not be considered to be part of the value chain. The activities of the companies or other legal entities that are included in the value chain of that client should not be covered.

**Amendment**

(19) **Clients that are households and natural persons not acting in a professional or business capacity should not be considered to be part of the value chain.**
Amendment 137
Antoni Comín i Oliveres

Proposal for a directive
Recital 19

*Text proposed by the Commission*

(19) As regards regulated financial undertakings providing loan, credit, or other financial services, “value chain” with respect to the provision of such services should be limited to the activities of the clients receiving such services, and the subsidiaries thereof whose activities are linked to the contract in question. *Clients that are households and natural persons not acting in a professional or business capacity, as well as small and medium sized undertakings, should not be considered to be part of the value chain. The activities of the companies or other legal entities that are included in the value chain of that client should not be covered.*

*Amendment*

(19) As regards regulated financial undertakings providing loan, credit, or other financial services, “value chain” with respect to the provision of such services should be limited to the activities of the clients receiving such services, and the subsidiaries thereof whose activities are linked to the contract in question.

Or. en

Amendment 138
Marie Toussaint

Proposal for a directive
Recital 20

*Text proposed by the Commission*

(20) In order to allow companies to properly identify the adverse impacts in their value chain and to make it possible for them to exercise appropriate leverage, the due diligence obligations should be limited in this Directive to established business relationships. For the purpose of this Directive, established business relationships should mean such direct and
indirect business relationships which are, or which are expected to be lasting, in view of their intensity and duration and which do not represent a negligible or ancillary part of the value chain. The nature of business relationships as “established” should be reassessed periodically, and at least every 12 months. If the direct business relationship of a company is established, then all linked indirect business relationships should also be considered as established regarding that company.

Amendment 139
Antoni Comín i Oliveres

Proposal for a directive
Recital 20

Text proposed by the Commission

(20) In order to allow companies to properly identify the adverse impacts in their value chain and to make it possible for them to exercise appropriate leverage, the due diligence obligations should be limited in this Directive to established business relationships. For the purpose of this Directive, established business relationships should mean such direct and indirect business relationships which are, or which are expected to be lasting, in view of their intensity and duration and which do not represent a negligible or ancillary part of the value chain. The nature of business relationships as “established” should be reassessed periodically, and at least every 12 months. If the direct business relationship of a company is established, then all linked indirect business relationships should also be considered as established regarding that company.

Amendment

(20) In order to allow companies to properly identify the adverse impacts in their value chain and to make it possible for them to exercise appropriate leverage, the due diligence obligations should be limited in this Directive all established business relationships.
(20) In order to allow companies to properly identify the adverse impacts in their value chain and to make it possible for them to exercise appropriate leverage, the due diligence obligations should be limited in this Directive to established business relationships. For the purpose of this Directive, established business relationships should mean such direct and indirect business relationships which are, or which are expected to be lasting, in view of their intensity and duration and which do not represent a negligible or ancillary part of the value chain. The nature of business relationships as “established” should be reassessed periodically, and at least every 12 months. If the direct business relationship of a company is established, then all linked indirect business relationships should also be considered as established regarding that company.

(21) Under this Directive, EU companies with more than 500 employees

(21) Under this Directive, all EU companies with the exception of micro-
on average and a worldwide net turnover exceeding EUR 150 million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil those criteria, but which had more than 250 employees on average and more than EUR 40 million worldwide net turnover in the financial year preceding the last financial year and which operate in one or more high-impact sectors, due diligence should apply 2 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. In order to ensure a proportionate burden, companies operating in such high-impact sectors should be required to comply with more targeted due diligence focusing on severe adverse impacts. Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive 2018/957/EU of the European Parliament and of the Council, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive 2018/957/EU, should only be included in the calculation of the number of employees of the sending company.


Or. en

Amendment 142
Antoni Comín i Oliveres
Proposal for a directive
Recital 21

Text proposed by the Commission

(21) Under this Directive, EU companies with more than 500 employees on average and a worldwide net turnover exceeding EUR 150 million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil those criteria, but which had more than 250 employees on average and more than EUR 40 million worldwide net turnover in the financial year preceding the last financial year which operate in one or more high-impact sectors, due diligence should apply 2 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. In order to ensure a proportionate burden, companies operating in such high-impact sectors should be required to comply with more targeted due diligence focusing on severe adverse impacts. Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive 2018/957/EU of the European Parliament and of the Council, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive 2018/957/EU, should only be included in the calculation of the number of employees of the sending company.

Amendment

(21) Under this Directive, EU companies with more than 25 employees on average and a worldwide net turnover exceeding EUR 4 million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil the employee criteria, but which had more than EUR 4 million worldwide net turnover in the financial year preceding the last financial year and which operate in one or more high-impact sectors, due diligence should apply 2 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. In order to ensure a proportionate burden, companies operating in such high-impact sectors should be required to comply with more targeted due diligence focusing on severe adverse impacts. Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive 2018/957/EU of the European Parliament and of the Council, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive 2018/957/EU, should only be included in the calculation of the number of employees of the sending company.

Amendment 143
Alexandr Vondra

Proposal for a directive
Recital 21

Text proposed by the Commission

(21) Under this Directive, EU companies with more than 500 employees on average and a worldwide net turnover exceeding EUR 150 million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil those criteria, but which had more than 250 employees on average and more than EUR 40 million worldwide net turnover in the financial year preceding the last financial year and which operate in one or more high-impact sectors, due diligence should apply 2 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. In order to ensure a proportionate burden, companies operating in such high-impact sectors should be required to comply with more targeted due diligence focusing on severe adverse impacts. Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive 2018/957/EU of the European Parliament and of the Council, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive 2018/957/EU, should only be included in the calculation of the number of employees of the sending company.

Amendment

(21) Under this Directive, EU companies with more than 500 employees on average and a worldwide net turnover exceeding EUR 150 million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil those criteria, but which had more than 250 employees on average and more than EUR 50 million worldwide net turnover in the financial year preceding the last financial year and which operate in one or more high-impact sectors, due diligence should apply 4 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. In order to ensure a proportionate burden, companies operating in such high-impact sectors should be required to comply with more targeted due diligence focusing on severe adverse impacts. Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive 2018/957/EU of the European Parliament and of the Council, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive 2018/957/EU, should only be included in the calculation of the number of employees of the sending company.


Amendment 144
Mick Wallace, Clare Daly

Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the

Amendment

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, animal products, wood, food, and beverages; energy, the extraction, transport and handling of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).
value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

Amendment 145
Marie Toussaint

Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except

Amendment

(22) In order to reflect the priority areas of international action aimed at tackling human rights, environmental and climate issues, this Directive should provide a list of high-impact sectors based, among others, on existing sectoral OECD due diligence guidance. The sectors that should be regarded as high-impact for the purposes of this Directive include: the energy sector including gas, nuclear, steam, electricity and other sources throughout their life cycle, from extraction, refining, production, combustion of fuels, transportation, storage and waste management including radioactive waste; the chemicals sector; the manufacture of textiles, fur, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; plastic production, waste shipment and management; agriculture, forestry, fisheries (including aquaculture), the management of land and resources (including in relation to nature conservation or other related activities),
machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

Amendment 146
Maria Arena
Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, animal products, wood, food, and beverages; construction sector and building infrastructures; transportation sector, logistics and storage; the extraction and refining of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products); the production, use and waste management of electronic products; waste management sector; employment activities, health, social and elder care; cleaning and household services; hospitality; financial and insurance activities; technology, digital activities and online platforms.

Amendment

(22) In order to reflect the priority areas of international action aimed at tackling human rights, environmental, and climate issues, the selection of high-impact sectors for the purposes of this Directive should, not exclusively, be based on existing sectoral OECD due diligence guidance. The following sectors should not
this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

exclusively, be regarded as high-impact for the purposes of this Directive: the energy sector including gas, nuclear, steam, electricity and other sources throughout their life cycle; the chemical sector; the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; plastic production; waste shipment and management; agriculture, forestry, fisheries (including aquaculture), the management of land and resources, the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction and refining of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products); financial and insurance activities.

Amendment 147
Mick Wallace, Clare Daly
Proposal for a directive
Recital 22
(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.
have a legal form with limited liability.

Amendment 148
Sirpa Pietikäinen
Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD

Amendment

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products, with special emphasizes paid to endocrine disruptors). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services
guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

Amendment 149
Antoni Comín i Oliveres

Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the

Amendment

(22) In order to reflect the priority areas of international action aimed at tackling human rights, labour rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except
wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

Amendment 150
Mick Wallace, Clare Daly

Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

Amendment

(22) In order to reflect the priority areas of international action aimed at tackling human rights and environmental issues, the selection of high-impact sectors for the purposes of this Directive should be based on existing sectoral OECD due diligence guidance. The following sectors should be regarded as high-impact for the purposes of this Directive: the manufacture of textiles, fur, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral materials, live animals, wood, food, and beverages; the extraction of mineral
resources regardless of where they are extracted from (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.

Or. en

Amendment 151
Marie Toussaint

Proposal for a directive
Recital 23

Text proposed by the Commission

(23) In order to achieve fully the objectives of this Directive addressing human rights and adverse environmental impacts with respect to companies’ operations, subsidiaries and value chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies.

Amendment

(23) In order to achieve fully the objectives of this Directive addressing human rights, environmental and climate adverse impacts with respect to companies’ operations, products and services throughout their life cycle, subsidiaries and value chains, third-country companies with operations in the EU should also be covered. More specifically, the Directive
which generated a net turnover of at least EUR 150 million in the Union in the financial year preceding the last financial year or a net turnover of more than EUR 40 million but less than EUR 150 million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 2 years after the end of the transposition period of this Directive.

should apply to third-country companies which generated a net turnover of at least EUR 8 million in the Union in the financial year.

Amendment 152
Maria Arena

Proposal for a directive
Recital 23

Text proposed by the Commission

(23) In order to achieve fully the objectives of this Directive addressing human rights and adverse environmental impacts with respect to companies’ operations, subsidiaries and value chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR 150 million in the Union in the financial year preceding the last financial year or a net turnover of more than EUR 40 million but less than EUR 150 million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 2 years after the end of the transposition period of this Directive.

Amendment

(23) In order to achieve fully the objectives of this Directive addressing human rights, environmental, and climate impacts with respect to companies’ operations, products and services throughout their life cycle, subsidiaries and value chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR 8 million in the Union in the financial year.

Amendment 153
Antoni Comín i Oliveres
Proposal for a directive
Recital 23

Text proposed by the Commission

(23) In order to achieve fully the objectives of this Directive addressing human rights and adverse environmental impacts with respect to companies’ operations, subsidiaries and value chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR 150 million in the Union in the financial year preceding the last financial year or a net turnover of more than EUR 40 million but less than EUR 150 million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 2 years after the end of the transposition period of this Directive.

Amendment

(23) In order to achieve fully the objectives of this Directive addressing adverse human rights, adverse labour rights and adverse environmental impacts with respect to companies’ operations, subsidiaries and value chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR 4 million in the Union in the financial year preceding the last financial year.

Amendment 154
Alexandr Vondra

Proposal for a directive
Recital 23

Text proposed by the Commission

(23) In order to achieve fully the objectives of this Directive addressing human rights and adverse environmental impacts with respect to companies’ operations, subsidiaries and value chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR 150 million in the Union in the

Amendment

(23) In order to achieve fully the objectives of this Directive addressing human rights and adverse environmental impacts with respect to companies’ operations, subsidiaries and supply chains, third-country companies with significant operations in the EU should also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR 150 million in the Union in the
financial year preceding the last financial year or a net turnover of more than EUR 40 million but less than EUR 150 million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 2 years after the end of the transposition period of this Directive.

financial year preceding the last financial year or a net turnover of more than EUR 50 million but less than EUR 150 million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 4 years after the end of the transposition period of this Directive.

Amendment 155
Pernille Weiss
Proposal for a directive
Recital 24 a (new)

Text proposed by the Commission

Amendment

(24a) Companies that are part of a group, including subsidies and parent companies, may not always have the same supply chain. However it may be that due diligence processes and actions are conducted at the level of the group. In this regard, subsidiaries and companies which are part of the same group may refer to the responsibilities pursuant to the obligations of this directive taken on by their parent undertaking or other group members.

Justification

See justification for AM to Article 4(2).

Amendment 156
Marie Toussaint
Proposal for a directive
Recital 25
(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from the violation of one of the rights and prohibitions as enshrined in the international conventions as listed in the Annex to this Directive. In order to ensure a comprehensive coverage of human rights, a violation of a prohibition or right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex to this Directive.

(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from the violation of one of the rights and prohibitions as enshrined in the international conventions as listed in the Annex to this Directive. In order to ensure a comprehensive coverage of human rights, a violation of a prohibition or right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental and climate impacts, meaning impacts contributing to the exceeding of planetary boundaries or an adverse impact on the following elements or functions of ecosystems and the interrelations between: climate, air and the atmosphere, water and access to water, soil, biodiversity, the transition to a circular economy, light, noise and vibration or human health including occupational health and safety. In particular, companies should also identify and assess actual and potential deterioration of working conditions due to climate change or the exceeding of planetary boundaries, such as the rise of temperatures to an unbearable level for their workers.
Amendment 157
Maria Arena

Proposal for a directive
Recital 25

Text proposed by the Commission

(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from the violation of one of the rights and prohibitions as enshrined in the international conventions as listed in the Annex to this Directive. In order to ensure a comprehensive coverage of human rights, a violation of a prohibition or right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex to this Directive.

Amendment

(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from the violation of one of the rights and prohibitions as enshrined in the international conventions as listed in the Annex to this Directive. In order to ensure a comprehensive coverage of human rights, a violation of a prohibition or right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts and climate impacts meaning impacts contributing to the exceeding of planetary boundaries or an adverse impact on the following elements: climate, air and the atmosphere, water and access to water, soil, biodiversity, the transition to a circular economy, light, noise and vibration or human health including occupational health and safety.

Or. en

Amendment 158
Bas Eickhout
Proposal for a directive
Recital 25

Text proposed by the Commission

(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from the violation of one of the rights and prohibitions as enshrined in the international conventions as listed in the Annex to this Directive. In order to ensure a comprehensive coverage of human rights, a violation of a prohibition or right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex to this Directive.

Amendment

(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from the violation of one of the rights and prohibitions as enshrined in the international conventions as listed in the Annex to this Directive. In order to ensure a comprehensive coverage of human rights, a violation of a prohibition or right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts resulting from the violation of one of the prohibitions and obligations established under EU and international environmental law, including, but not limited to the international environmental conventions listed in the Annex, Part II of this Directive.
(26) Companies have guidance at their disposal that illustrates how their activities may impact human rights and which corporate behaviour is prohibited in accordance with internationally recognised human rights. Such guidance is included for instance in The United Nations Guiding Principles Reporting Framework and the United Nations Guiding Principles Interpretative Guide. Using relevant international guidelines and standards as a reference, the Commission should be able to issue additional guidance that will serve as a practical tool for companies.


Amendment 160
Maria Arena
Proposal for a directive
Recital 27

Text proposed by the Commission

(27) In order to conduct appropriate human rights, and environmental due diligence with respect to their operations, their subsidiaries, and their value chains, companies covered by this Directive should integrate due diligence into corporate policies, identify, prevent and mitigate as well as bring to an end and minimise the extent of potential and actual

Amendment

(27) In order to conduct appropriate human rights, environmental and climate due diligence with respect to their operations, products and services throughout their life-cycle, their subsidiaries, and their value chains, companies covered by this Directive should integrate due diligence into corporate policies with short-, medium-
adverse human rights and environmental impacts, establish and maintain a complaints procedure, monitor the effectiveness of the taken measures in accordance with the requirements that are set up in this Directive and communicate publicly on their due diligence. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.

(27) In order to conduct appropriate human rights, and environmental due diligence with respect to their operations, their subsidiaries, and their value chains, companies covered by this Directive should integrate due diligence into corporate policies, identify, prevent and mitigate as well as bring to an end and minimise the extent of potential and actual adverse human rights and environmental impacts, establish and maintain a complaints procedure, monitor the effectiveness of the taken measures in accordance with the requirements that are set up in this Directive and communicate publicly on their due diligence. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.

Or. en
publicly on their due diligence. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.

complaints procedure, **track the implementation and monitor and assess** the effectiveness of the taken measures in accordance with the requirements that are set up in this Directive and communicate publicly on their due diligence. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.

**Amendment 162**

**Antoni Comín i Oliveres**

**Proposal for a directive**

**Recital 27**

**Text proposed by the Commission**

(27) In order to conduct appropriate human rights, and environmental due diligence with respect to their operations, their subsidiaries, and their value chains, companies covered by this Directive should integrate due diligence into corporate policies, identify, prevent and mitigate as well as bring to an end and minimise the extent of potential and actual adverse human rights and environmental impacts, establish and maintain a complaints procedure, monitor the effectiveness of the taken measures in accordance with the requirements that are set up in this Directive and communicate publicly on their due diligence. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.

**Amendment**

(27) In order to conduct appropriate human rights, **labour rights** and environmental due diligence with respect to their operations, their subsidiaries, and their value chains, companies covered by this Directive should integrate due diligence into corporate policies, identify, prevent and mitigate as well as bring to an end and minimise the extent of potential and actual adverse human **rights**, **labour rights** and environmental impacts, establish and maintain a complaints procedure, monitor the effectiveness of the taken measures in accordance with the requirements that are set up in this Directive and communicate publicly on their due diligence. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.
Amendment 163
Aurélie Beigneux

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) In order to ensure that due diligence forms part of companies’ corporate policies, and in line with the relevant international framework, companies should integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy should contain a description of the company’s approach, including in the long term, to due diligence, a code of conduct describing the rules and principles to be followed by the company’s employees and subsidiaries; a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships. The code of conduct should apply in all relevant corporate functions and operations, including procurement and purchasing decisions. Companies should also update their due diligence policy annually.

Amendment

(28) In order to ensure that due diligence forms part of companies’ corporate policies, and in line with the relevant international framework, companies should integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy should contain a description of the company’s approach, including in the long term, and a description of the processes put in place to implement due diligence. Companies should also update their due diligence policy annually.

Amendment 164
Maria Arena

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) In order to ensure that due diligence

Amendment

(28) In order to ensure that due diligence
forms part of companies’ corporate policies, and in line with the relevant international framework, companies should integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy should contain a description of the company’s approach, including in the long term, to due diligence, a code of conduct describing the rules and principles to be followed by the company’s employees and subsidiaries; a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships. The code of conduct should apply in all relevant corporate functions and operations, including procurement and purchasing decisions. Companies should also update their due diligence policy annually.

Amendment 165
Antoni Comín i Oliveres
Proposal for a directive
Recital 28

Text proposed by the Commission

(28) In order to ensure that due diligence forms part of companies’ corporate policies, and in line with the relevant international framework, companies should integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy should contain a description of the company’s approach, including in the long term, to due diligence, a code of conduct describing the rules and principles to be followed by the company’s employees and

Amendment

(28) In order to ensure that due diligence forms part of companies’ corporate policies, and in line with the relevant international framework, companies should integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy should contain a description of the company’s approach, including in the long term, to due diligence, a code of conduct describing the rules and principles to be followed by the company’s directors,
subsidiaries; a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships. The code of conduct should apply in all relevant corporate functions and operations, including procurement and purchasing decisions. Companies should also update their due diligence policy annually.

employees and subsidiaries; a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to all business relationships. The code of conduct should apply in all relevant corporate functions and operations, including procurement and purchasing decisions. Companies should also update and publish their due diligence policy annually.

Amendment 166
Marie Toussaint

Proposal for a directive
Recital 29

Text proposed by the Commission

(29) To comply with due diligence obligations, companies need to take appropriate measures with respect to identification, prevention and bringing to an end adverse impacts. An ‘appropriate measure’ should mean a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and of the specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action. In this context, in line with international frameworks, the company’s influence over a business relationship should include, on the one hand its ability to persuade the business relationship to take action to bring to an end or prevent adverse impacts (for example through ownership or factual control, market power, pre-qualification

Amendment

(29) To comply with due diligence obligations, companies need to take appropriate measures with respect to identification, prevention and bringing to an end adverse impacts. An ‘appropriate measure’ should mean a set of measures that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, taking into account the circumstances of the specific case.
requirements, linking business incentives to human rights and environmental performance, etc.) and, on the other hand, the degree of influence or leverage that the company could reasonably exercise, for example through cooperation with the business partner in question or engagement with another company which is the direct business partner of the business relationship associated with adverse impact.

Or. en

Amendment 167
Maria Arena

Proposal for a directive
Recital 29

Text proposed by the Commission

(29) To comply with due diligence obligations, companies need to take appropriate measures with respect to identification, prevention and bringing to an end adverse impacts. An ‘appropriate measure’ should mean a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and of the specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action. In this context, in line with international frameworks, the company’s influence over a business relationship should include, on the one hand its ability to persuade the business relationship to take action to bring to an end or prevent adverse impacts (for example through ownership or factual control, market power, pre-qualification

Amendment

(29) To comply with due diligence obligations, companies need to take appropriate measures with respect to identification, prevention and bringing to an end adverse impacts. An ‘appropriate measure’ should mean a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case.
requirements, linking business incentives to human rights and environmental performance, etc.) and, on the other hand, the degree of influence or leverage that the company could reasonably exercise, for example through cooperation with the business partner in question or engagement with another company which is the direct business partner of the business relationship associated with adverse impact.

Amendment 168
Marie Toussaint

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights and environmental impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an activity or relationship. Regulated financial undertakings providing loan, credit, or other financial services should identify the adverse impacts only at the

Amendment

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights, environmental and climate impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental and climate impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental and climate context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an activity or relationship. Where the company cannot prevent, bring to an end or minimize all its adverse impacts at the
inception of the contract. When identifying adverse impacts, companies should also identify and assess the impact of a business relationship’s business model and strategies, including trading, procurement and pricing practices. Where the company cannot prevent, bring to an end or minimize all its adverse impacts at the same time, it should be able to prioritize its action, provided it takes the measures reasonably available to the company, taking into account the specific circumstances.

Amendment 169
Maria Arena

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights and environmental impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an activity or relationship. Regulated financial undertakings providing loan,

Amendment

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights, environmental, and climate impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental and climate impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental and climate context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an activity or relationship. Where the
credit, or other financial services should identify the adverse impacts only at the inception of the contract. When identifying adverse impacts, companies should also identify and assess the impact of a business relationship’s business model and strategies, including trading, procurement and pricing practices. Where the company cannot prevent, bring to an end or minimize all its adverse impacts at the same time, it should be able to prioritize its action, provided it takes the measures reasonably available to the company, taking into account the specific circumstances.

Amendment 170
Antoni Comin i Oliveres

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights and environmental impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an

Amendment

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights and environmental impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an
activity or relationship. **Regulated financial undertakings providing loan, credit, or other financial services should identify the adverse impacts only at the inception of the contract.** When identifying adverse impacts, companies should also identify and assess the impact of a business relationship’s business model and strategies, including trading, procurement and pricing practices. Where the company cannot prevent, bring to an end or minimize all its adverse impacts at the same time, it should be able to prioritize its action, provided it takes the measures reasonably available to the company, taking into account the specific circumstances.

**Amendment 171**  
Mick Wallace, Clare Daly

**Proposal for a directive**

**Recital 30**

*(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights and environmental impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating context.*

(30) Under the due diligence obligations set out by this Directive, a company should identify actual or potential adverse human rights and environmental impacts. In order to allow for a comprehensive identification of adverse impacts, such identification should be based on quantitative and qualitative information. For instance, as regards adverse environmental impacts, the company should obtain information about baseline conditions at higher risk sites or facilities in value chains. Identification of adverse impacts should include assessing the human rights, and environmental context in a dynamic way and in regular intervals: prior to a new activity or relationship, prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating context.
environment; and periodically, at least
every 12 months, throughout the life of an
activity or relationship. Regulated
financial undertakings providing loan,
credit, or other financial services should
identify the adverse impacts only at the
inception of the contract. When
identifying adverse impacts, companies
should also identify and assess the impact
of a business relationship’s business model
and strategies, including trading,
procurement and pricing practices. Where
the company cannot prevent, bring to an
end or minimize all its adverse impacts at
the same time, it should be able to
prioritize its action, provided it takes the
measures reasonably available to the
company, taking into account the specific
circumstances.

Amendment 172
Stanislav Polčák
Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to avoid undue burden on
the smaller companies operating in high-
impact sectors which are covered by this
Directive, those companies should only be
obliged to identify those actual or
potential severe adverse impacts that are
relevant to the respective sector.

Amendment

deleted

Or. cs

Amendment 173
Antoni Comín i Oliveres
Proposal for a directive
Recital 31

PE737.344v01-00
74/219
AM\1265194EN.docx
(31) In order to avoid undue burden on the smaller companies operating in high-impact sectors which are covered by this Directive, those companies should only be obliged to identify those actual or potential severe adverse impacts that are relevant to the respective sector.

Amendment 174
Marie Toussaint

Proposal for a directive
Recital 31

(31) In order to avoid undue burden on the smaller companies operating in high-impact sectors which are covered by this Directive, those companies should only be obliged to identify those actual or potential severe adverse impacts that are relevant to the respective sector.

Amendment 175
Stanislav Polčák

Proposal for a directive
Recital 32

(32) In line with international standards, prevention and mitigation as well as bringing to an end and minimisation of adverse impacts should take into account the interests of those adversely impacted. In order to enable continuous engagement

(31) In order to avoid undue burden on SMEs covered by this Directive, those companies should be supported with adequate and targeted measures and tools.

(32) In line with international standards, prevention and mitigation as well as bringing to an end and minimisation of adverse impacts should take into account the interests of those adversely impacted. In order to enable long-term engagement
with the value chain business partner instead of termination of business relations (disengagement) and possibly exacerbating adverse impacts, this Directive should ensure that disengagement is a last-resort action, in line with the Union’s policy of zero-tolerance on child labour. Terminating a business relationship in which child labour was found could expose the child to even more severe adverse human rights impacts. This should therefore be taken into account when deciding on the appropriate action to take.

Or. cs

Amendment 176
Antoni Comín i Oliveres
Proposal for a directive
Recital 33

(33) Under the due diligence obligations set out by this Directive, if a company identifies potential adverse human rights or environmental impacts, it should take appropriate measures to prevent and adequately mitigate them. To provide companies with legal clarity and certainty, this Directive should set out the actions companies should be expected to take for prevention and mitigation of potential adverse impacts where relevant depending on the circumstances.

(33) Under the due diligence obligations set out by this Directive, if a company identifies potential adverse human rights, labour rights or environmental impacts, it should take appropriate measures to prevent and adequately mitigate them. To provide companies with legal clarity and certainty, this Directive should set out the actions companies should be expected to take for prevention and mitigation of potential adverse impacts where relevant depending on the circumstances.

Or. en

Amendment 177
Marie Toussaint
Proposal for a directive
Recital 33
Under the due diligence obligations set out by this Directive, if a company identifies potential adverse human rights or environmental impacts, it should take appropriate measures to prevent and adequately mitigate them. To provide companies with legal clarity and certainty, this Directive should set out the actions companies should be expected to take for prevention and mitigation of potential adverse impacts where relevant depending on the circumstances.
(34) So as to comply with the prevention and mitigation obligation under this Directive, companies should be required to take the following actions, where relevant. Where necessary due to the complexity of prevention measures, companies should develop and implement a prevention action plan. Companies should seek to obtain contractual assurances from a direct partner with whom they have an established business relationship that it will ensure compliance with the code of conduct or the prevention action plan, including by seeking corresponding contractual assurances from its partners to the extent that their activities are part of the companies’ value chain. The contractual assurances should be accompanied by appropriate measures to verify compliance. To ensure comprehensive prevention of actual and potential adverse impacts, companies should also make investments which aim to prevent adverse impacts, provide targeted and proportionate support for an SME with which they have an established business relationship such as financing, for example, through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing, to help implement the code of conduct or prevention action plan, or technical guidance such as in the form of training, management systems upgrading, and collaborate with other companies.

Or. en

Amendment 180
Antoni Comín i Oliveres
Proposal for a directive
Recital 34

Text proposed by the Commission

(34) So as to comply with the prevention and mitigation obligation under this Directive, companies should be required to take the following actions, where relevant. Where necessary due to the complexity of prevention measures, companies should develop and implement a prevention action plan. Companies should seek to obtain contractual assurances from a direct partner with whom they have an established business relationship that it will ensure compliance with the code of conduct or the prevention action plan, including by seeking corresponding contractual assurances from its partners to the extent that their activities are part of the companies’ value chain. The contractual assurances should be accompanied by appropriate measures to verify compliance. To ensure comprehensive prevention of actual and potential adverse impacts, companies should also make investments which aim to prevent adverse impacts, provide targeted and proportionate support for an SME with which they have an established business relationship such as financing, for example, through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing, to help implement the code of conduct or prevention action plan, or technical guidance such as in the form of training, management systems upgrading, and collaborate with other companies.

Amendment

(34) So as to comply with the prevention and mitigation obligation under this Directive, companies should be required to take the following actions. Companies should develop and implement a prevention action plan. Companies should seek to obtain contractual assurances from a partner in their value chains that it will ensure compliance with the code of conduct or the prevention action plan, including by seeking corresponding assurances from its partners to the extent that their activities are part of the companies’ value chain. The assurances should be accompanied by appropriate measures to verify compliance. To ensure comprehensive prevention of actual and potential adverse impacts, companies should also make investments which aim to prevent adverse impacts, provide targeted and proportionate support for an SME with which they have an established business relationship such as financing, for example, through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing, to help implement the code of conduct or prevention action plan, or technical guidance such as in the form of training, management systems upgrading, and collaborate with other companies.

Amendment 181
Marie Toussaint
Proposal for a directive
Recital 36

Text proposed by the Commission

(36) In order to ensure that prevention and mitigation of potential adverse impacts is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at preventing and mitigating adverse potential impacts without success. However, the Directive should also, for cases where potential adverse impacts could not be addressed by the described prevention or mitigation measures, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing prevention and minimisation efforts, if there is reasonable expectation that these efforts are to succeed in the short-term; or to terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws. It is possible that prevention of adverse impacts at the level of indirect business relationships requires collaboration with another company, for example a company which has a direct contractual relationship with the supplier. In some instances, such collaboration could be the only realistic way of preventing adverse impacts, in particular, where the indirect business relationship is not ready to enter into a contract with the company. In these instances, the company should collaborate with the entity which can most effectively prevent or mitigate adverse

Amendment

(36) In order to ensure that prevention and mitigation of potential adverse impacts is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at preventing and mitigating adverse potential impacts without success. However, the Directive should also, for cases where potential adverse impacts could not be addressed by the described prevention or mitigation measures, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing prevention and mitigation efforts, if there is reasonable expectation that these efforts are to succeed in the short-term; or to terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe as well as if the conditions for temporary suspension are not met. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws. It is possible that prevention of adverse impacts at the level of indirect business relationships requires collaboration with another company, for example a company which has a direct contractual relationship with the supplier. In some instances, such collaboration could be the only realistic way of preventing adverse impacts, in particular, where the indirect business relationship is not ready to enter into a contract with the company. In these instances, the company should
impacts at the level of the indirect business relationship while respecting competition law.

collaborate with the entity which can most effectively prevent or mitigate adverse impacts at the level of the indirect business relationship while respecting competition law.

Or. en

Amendment 182
Maria Arena

Proposal for a directive
Recital 36

Text proposed by the Commission

(36) In order to ensure that prevention and mitigation of potential adverse impacts is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at preventing and mitigating adverse potential impacts without success. However, the Directive should also, for cases where potential adverse impacts could not be addressed by the described prevention or mitigation measures, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing prevention and minimisation efforts, if there is reasonable expectation that these efforts are to succeed in the short-term; or to terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws. It is possible that prevention

Amendment

(36) In order to ensure that prevention and mitigation of potential adverse impacts is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at preventing and mitigating adverse potential impacts without success. However, the Directive should also, for cases where potential adverse impacts could not be addressed by the described prevention or mitigation measures, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing prevention and mitigation efforts, if there is reasonable expectation that these efforts are to succeed in the short-term; or to terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws. It is possible that prevention
of adverse impacts at the level of indirect business relationships requires collaboration with another company, for example a company which has a direct contractual relationship with the supplier. In some instances, such collaboration could be the only realistic way of preventing adverse impacts, in particular, where the indirect business relationship is not ready to enter into a contract with the company. In these instances, the company should collaborate with the entity which can most effectively prevent or mitigate adverse impacts at the level of the indirect business relationship while respecting competition law.

Amendment 183
Antoni Comín i Oliveres

Proposal for a directive
Recital 37

Text proposed by the Commission

(37) As regards direct and indirect business relationships, industry cooperation, industry schemes and multi-stakeholder initiatives can help create additional leverage to identify, mitigate, and prevent adverse impacts. Therefore it should be possible for companies to rely on such initiatives to support the implementation of their due diligence obligations laid down in this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment of those obligations. Companies could assess, at their own initiative, the alignment of these schemes and initiatives with the obligations under this Directive. In order to ensure full information on such initiatives, the Directive should also refer to the possibility for the Commission and the Member States to facilitate the

Amendment

(37) As regards direct and indirect business relationships, industry cooperation, industry schemes and multi-stakeholder initiatives can help create additional leverage to identify, mitigate, and prevent adverse impacts. Therefore it should be possible for companies to rely on such initiatives to support the implementation of their due diligence obligations laid down in this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment of those obligations. Companies could assess, at their own initiative, the alignment of these schemes and initiatives with the obligations under this Directive. The mere compliance with industry schemes and multi-stakeholder initiatives should not prevent any company from its obligations and liability from breaches of due

Or. en
dissemination of information on such schemes or initiatives and their outcomes. The Commission, in collaboration with Member States, may issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives.

The Commission, in collaboration with Member States, may issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives.

**Proposition for a directive**

**Recital 38**

*Text proposed by the Commission*

(38) Under the due diligence obligations laid down in this Directive, if a company identifies actual human rights or environmental adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that, as regards established business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where

*Amendment*

(38) Under the due diligence obligations laid down in this Directive, if a company identifies actual human rights, environmental and climate adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that, as regards business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights, environmental and climate adverse impacts to an end and minimisation of their extent,
relevant depending on the circumstances.

Or. en

Amendment 185
Maria Arena

Proposal for a directive
Recital 38

Text proposed by the Commission

(38) Under the due diligence obligations set out by this Directive, if a company identifies actual human rights or environmental adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that, as regards established business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where relevant depending on the circumstances.

Amendment

(38) Under the due diligence obligations set out by this Directive, if a company identifies actual human rights, environmental, and climate adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that, as regards business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Mitigation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights, environmental, and climate adverse impacts to an end and minimisation of their extent.

Or. en

Amendment 186
Antoni Comín i Oliveres

Proposal for a directive
Recital 38
(38) Under the due diligence obligations set out by this Directive, if a company identifies actual human rights or environmental adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that, as regards established business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where relevant depending on the circumstances.

Amendment 187
Alexandr Vondra
Proposal for a directive
Recital 38

(38) Under the due diligence obligations set out by this Directive, if a company identifies actual human rights or environmental adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that, as regards business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where relevant depending on the circumstances.
clarified that, as regards established business relationships, where adverse impacts cannot be brought to an end, companies should minimise the extent of such impacts. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where relevant depending on the circumstances.

**Justification**

The notion of “established business relationship” is not in line with international standards, in particular the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidance on Responsible Business Conduct, which refer instead to “business relationships”. This amendment proposes a re-framing of the scope of the due diligence duty to cover a company’s own operations, subsidiaries, as well as all its business relationships throughout the supply chain, while allowing companies to conduct a risk-based approach: prioritize efforts based on the severity of the actual or potential harm to people and the environment, rather than on the nature of the business relationship. This will ensure that companies do not ignore impacts in more remote parts of the supply chain, where they are often more severe, and undertake collaborative action to address their root causes.

**Amendment 188**

Aurélia Beigneux

Proposal for a directive

Recital 39

**Text proposed by the Commission**

(39) So as to comply with the obligation of bringing to an end and minimising the extent of actual adverse impacts under this Directive, companies should be required to take the following actions, where relevant. They should neutralise the adverse impact or minimise its extent, with an action proportionate to the significance and scale

**Amendment**

(39) So as to comply with the obligation of bringing to an end and minimising the extent of actual adverse impacts under this Directive, companies should be required to take the following actions, where relevant. They should neutralise the adverse impact or minimise its extent, with an action proportionate to the significance and scale
of the adverse impact and to the contribution of the company’s conduct to the adverse impact. Where necessary due to the fact that the adverse impact cannot be immediately brought to an end, companies should develop and implement a **corrective action plan** with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. Companies should also seek to obtain contractual assurances from a direct business partner with whom they have an established business relationship that they will ensure compliance with the company’s code of conduct and, as necessary, a prevention action plan, including by seeking corresponding contractual assurances from its partners, to the extent that their activities are part of the company’s value chain. The contractual assurances should be accompanied by the appropriate measures to verify compliance. Finally, companies should also make investments aiming at ceasing or minimising the extent of adverse impact, provide targeted and proportionate support for an SMEs with which they have an established business relationship and collaborate with other entities, including, where relevant, to increase the company’s ability to bring the adverse impact to an end.

**Amendment 189**

**Stanislav Polčák**

**Proposal for a directive**

**Recital 41**

*Text proposed by the Commission*

(41) In order to ensure that bringing actual adverse impacts to an end or minimising them is effective, companies should prioritize engagement with business

*Amendment*

(41) In order to ensure that bringing actual adverse impacts to an end or minimising them is effective, companies should prioritize engagement with business
relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at bringing actual adverse impacts to an end or minimising them without success. However, this Directive should also, for cases where actual adverse impacts could not be brought to an end or adequately mitigated by the described measures, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or minimise the extent of the adverse impact, or terminate the business relationship with respect to the activities concerned, if the adverse impact is considered severe. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws in light of potential adverse human rights or environmental impacts that cannot be avoided or mitigated to the maximum extent possible.

Amendment 190
Maria Arena

Proposal for a directive
Recital 42

Text proposed by the Commission

(42) Companies should provide the possibility for persons and organisations to submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights and environmental adverse impacts. Organisations who could submit such complaints should include

Amendment

(42) Companies should provide the possibility for persons, communities, entities and organisations to submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights, environmental, and climate adverse impacts. Organisations
trade unions and other workers’ representatives representing individuals working in the value chain concerned and civil society organisations active in the areas related to the value chain concerned where they have knowledge about a potential or actual adverse impact. Companies should establish a procedure for dealing with those complaints and inform workers, trade unions and other workers’ representatives, where relevant, about such processes. Recourse to the complaints and remediation mechanism should not prevent the complainant from having recourse to judicial remedies. In accordance with international standards, complaints should be entitled to request from the company appropriate follow-up on the complaint and to meet with the company’s representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint. This access should not lead to unreasonable solicitations of companies.

Amendment 191
Marie Toussaint
Proposal for a directive
Recital 42

Text proposed by the Commission

(42) Companies should provide the possibility for persons and organisations to submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights and environmental adverse impacts. Organisations who could submit such complaints should include trade unions and other workers’ representatives representing individuals working in the value chain concerned and

Amendment

(42) Companies should provide the possibility for persons, groups, communities, entities and organisations to submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights, environmental and climate adverse impacts. Organisations who could submit such complaints should include trade unions and other workers’ representatives representing individuals
civil society organisations active in the areas related to the value chain concerned where they have knowledge about a potential or actual adverse impact. Companies should establish a procedure for dealing with those complaints and inform workers, trade unions and other workers’ representatives, where relevant, about such processes. Recourse to the complaints and remediation mechanism should not prevent the complainant from having recourse to judicial remedies. In accordance with international standards, complaints should be entitled to request from the company appropriate follow-up on the complaint and to meet with the company’s representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint. This access should not lead to unreasonable solicitations of companies.

Amendment 192
Antoni Comín i Oliveres

Proposal for a directive
Recital 42

Text proposed by the Commission

(42) Companies should provide the possibility for persons and organisations to submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights and environmental adverse impacts. Organisations who could submit such complaints should include trade unions and other workers’ representatives representing individuals working in the value chain concerned and civil society organisations active in the areas related to the value chain concerned where they have knowledge about a potential or actual adverse impact.

Amendment

(42) Companies should provide the possibility for persons and organisations to submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights, labour rights and environmental adverse impacts. Organisations who could submit such complaints should include trade unions and other workers’ representatives representing individuals working in the value chain concerned and civil society organisations active in the areas related to the value chain concerned where they have knowledge about a potential or actual adverse impact.
Companies should establish a procedure for dealing with those complaints and inform workers, trade unions and other workers’ representatives, where relevant, about such processes. Recourse to the complaints and remediation mechanism should not prevent the complainant from having recourse to judicial remedies. In accordance with international standards, complaints should be entitled to request from the company appropriate follow-up on the complaint and to meet with the company’s representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint. **This access should not lead to unreasonable solicitations of companies.**
workers’ representatives, where relevant, about such processes. Recourse to the complaints and remediation mechanism should not prevent the complainant from having recourse to judicial remedies. In accordance with international standards, complaints should be entitled to request from the company appropriate follow-up on the complaint and to meet with the company’s representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint. This access should not lead to unreasonable solicitations of companies.

Amendment 194
Marie Toussaint

Proposal for a directive
Recital 43

Text proposed by the Commission

(43) Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments of their own operations, those of their subsidiaries and, where related to the value chains of the company, those of their established business relationships, to monitor the effectiveness of the identification, prevention, minimisation, bringing to an end and mitigation of human rights and environmental adverse impacts. Such assessments should verify that adverse impacts are properly identified, due diligence measures are implemented and adverse impacts have actually been prevented or brought to an end. In order to ensure that such assessments are up-to-date, they should be carried out at least every 12 months and be revised in-between if there are reasonable grounds to believe

Amendment

(43) Companies should track the implementation and monitor the effectiveness of their due diligence measures. They should, in consultation with stakeholders, carry out periodic assessments of their own operations, those of their subsidiaries and, where related to the value chains of the company, those of their established business relationships, to monitor the effectiveness of the identification, prevention, minimisation, bringing to an end and mitigation of human rights and environmental adverse impacts. Such assessments should verify that adverse impacts are properly identified, due diligence measures are implemented and adverse impacts have actually been prevented or brought to an end. In order to ensure that such assessments are up-to-date, they should be carried out at least every 12 months and be revised in-between
that significant new risks of adverse impact could have arisen.

if there are reasonable grounds to believe that significant new risks of adverse impact could have arisen.

Amendment 195
Antoni Comín i Oliveres
Proposal for a directive
Recital 43

Text proposed by the Commission

(43) Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments of their own operations, those of their subsidiaries and, where related to the value chains of the company, those of their established business relationships, to monitor the effectiveness of the identification, prevention, minimisation, bringing to an end and mitigation of human rights and environmental adverse impacts. Such assessments should verify that adverse impacts are properly identified, due diligence measures are implemented and adverse impacts have actually been prevented or brought to an end. In order to ensure that such assessments are up-to-date, they should be carried out at least every 12 months and be revised in-between if there are reasonable grounds to believe that significant new risks of adverse impact could have arisen.

Or. en

Amendment

(43) Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments of their own operations, those of their subsidiaries and, where related to the value chains of the company, those of their business relationships, to monitor the effectiveness of the identification, prevention, minimisation, bringing to an end and mitigation of human rights and environmental adverse impacts. Such assessments should verify that adverse impacts are properly identified, due diligence measures are implemented and adverse impacts have actually been prevented or brought to an end. In order to ensure that such assessments are up-to-date, they should be carried out at least every 6 months and be revised in-between if there are reasonable grounds to believe that significant new risks of adverse impact could have arisen.

Or. en

Amendment 196
Marie Toussaint
Proposal for a directive
Recital 44

AM\1265194EN.docx 93/219 PE737.344v01-00
Like in the existing international standards set by the United Nations Guiding Principles on Business and Human Rights and the OECD framework, it forms part of the due diligence requirement to communicate externally relevant information on due diligence policies, processes and activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities. The proposal to amend Directive 2013/34/EU as regards corporate sustainability reporting sets out relevant reporting obligations for the companies covered by this directive. In order to avoid duplicating reporting obligations, this Directive should therefore not introduce any new reporting obligations in addition to those under Directive 2013/34/EU for the companies covered by that Directive as well as the reporting standards that should be developed under it. As regards companies that are within the scope of this Directive, but do not fall under Directive 2013/34/EU, in order to comply with their obligation of communicating as part of the due diligence under this Directive, they should publish on their website an annual statement in a language customary in the sphere of international business. This reporting should be accessible, comparable, and sufficiently detailed to demonstrate the adequacy of a company’s due diligence process.
Like in the existing international standards set by the United Nations Guiding Principles on Business and Human Rights and the OECD framework, it forms part of the due diligence requirement to communicate externally relevant information on due diligence policies, processes and activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities. The proposal to amend Directive 2013/34/EU as regards corporate sustainability reporting sets out relevant reporting obligations for the companies covered by this directive. In order to avoid duplicating reporting obligations, this Directive should therefore not introduce any new reporting obligations in addition to those under Directive 2013/34/EU for the companies covered by that Directive as well as the reporting standards that should be developed under it. As regards companies that are within the scope of this Directive, but do not fall under Directive 2013/34/EU, in order to comply with their obligation of communicating as part of the due diligence under this Directive, they should publish on their website an annual statement in a language customary in the sphere of international business.

(44a) Companies should provide stakeholders adequate, comprehensive
meaningful information about actual and potential adverse human rights, environmental and climate impacts and the actions taken to respect their due diligence. Stakeholders should also be able to request additional information from a company regarding the actions taken to comply with the obligations set in this Directive. The confidentiality of commercial and industrial information should not serve as a barrier for access to information that relates to the implementation, by a company, of the provisions of national law transposing this Directive.

Amendment 199
Maria Arena

Proposal for a directive
Recital 46 a (new)

Text proposed by the Commission

(46a) Stakeholders, including human rights and environmental defenders should be engaged effectively, meaningfully and in an appropriate manner by companies throughout the entire due diligence process. Companies should pay particular attention to overlapping vulnerabilities and intersecting factors in stakeholder engagement, including by adopting a gender-responsive approach. Companies should provide meaningful information to stakeholders about actual and potential adverse human rights, environmental and climate impacts of particular operations, projects and investments, in a timely and culturally sensitive and accessible manner taking into account specifics of the stakeholder group including gender. Companies must respect the rights of Indigenous Peoples, as laid out in the
United Nations Declaration on the Rights of Indigenous Peoples, including free, prior and informed consent and indigenous peoples’ right to self-determination.

Or. en

Amendment 200
Marie Toussaint

Proposal for a directive
Recital 46 a (new)

Text proposed by the Commission

(46a) Stakeholders, including human rights and environmental defenders should be engage effectively, meaningfully and in an appropriate manner by companies throughout the entire due diligence process. Companies should pay special attention to overlapping vulnerabilities and intersecting factors in stakeholder engagement, including by adopting a gender-responsive approach. Companies should provide meaningful information to stakeholders about actual and potential adverse human rights, environmental and climate impacts of particular operations, projects and investments, in a timely and culturally sensitive and accessible manner taking into account specifics of the stakeholder group including gender. Companies must respect the rights of Indigenous Peoples, as laid out in the United Nations Declaration on the Rights of Indigenous Peoples, including free, prior and informed consent and indigenous peoples’ right to self-determination.

Or. en
Amendment 201
Marie Toussaint
Proposal for a directive
Recital 47

Text proposed by the Commission

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

Amendment

(47) **The aim is to mitigate financial or administrative burden on SMEs while conducting due diligence pursuant to this Directive.** In order to support SMEs, Member States should set up and operate, either individually or jointly, dedicated websites, portals or platforms, and Member States could also financially support SMEs and help them build capacity. Such support should also be made accessible, and where necessary adapted and extended to upstream economic operators in third countries. Companies whose business partner is an SME, are also encouraged to support them to comply with due diligence measures and use reasonable, non-discriminatory and proportionate requirements vis-a-vis the SMEs.

Amendment 202
Marie Toussaint
Proposal for a directive
Recital 49

Text proposed by the Commission

(49) The Commission and Member States should continue to work in

Amendment

(49) The Commission and Member States should continue to work in
partnership with third countries to support upstream economic operators build the capacity to effectively prevent and mitigate adverse human rights and environmental impacts of their operations and business relationships, paying specific attention to the challenges faced by smallholders. They should use their neighbourhood, development and international cooperation instruments to support third country governments and upstream economic operators in third countries addressing adverse human rights and environmental impacts of their operations and upstream business relationships. This could include working with partner country governments, the local private sector and stakeholders on addressing the root causes of adverse human rights and environmental impacts.

Amendment 203
Maria Arena

Proposal for a directive
Recital 49

Text proposed by the Commission

(49) The Commission and Member States should continue to work in partnership with third countries to support upstream economic operators build the capacity to effectively prevent and mitigate adverse human rights and environmental impacts of their operations and business relationships, paying specific attention to the challenges faced by smallholders. They should use their neighbourhood, development and international cooperation instruments to support third country governments and upstream economic operators in third countries addressing adverse human rights and environmental impacts of their operations and upstream business relationships.

Amendment

(49) The Commission and Member States should continue to work in partnership with third countries to support upstream economic operators build the capacity to effectively prevent and mitigate adverse human rights and environmental impacts of their operations and business relationships, paying specific attention to the challenges faced by smallholders. They should use their neighbourhood, development and international cooperation instruments to support third country governments and upstream economic operators in third countries addressing adverse human rights and environmental impacts of their operations and upstream business relationships.
business relationships. This could include working with partner country governments, the local private sector and stakeholders on addressing the root causes of adverse human rights and environmental impacts.

Amendment 204
Marie Toussaint

Proposal for a directive
Recital 50

Text proposed by the Commission

(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. In case climate or should have been identified as a principal risk for or a principal impact of the company’s operations, the company should include emissions reduction objectives in its plan.

Amendment

(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should, in consultation with stakeholders, adopt a plan to ensure that the business model and strategy of the company are aligned with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050 at the latest as established in Regulation EU 2021/1119 (European Climate Law), pursuant to the latest recommendations of the IPCC and the European Scientific Advisory Board on Climate Change. The plan should include science-based targets related to climate objectives of 2030 and 2050, avoiding any misleading claims on climate neutrality, an identification and explanation of decarbonisation levers identified within the company’s operations and value chain and the greenhouse gas emission reduction targets. The plans should include clear obligations for directors and board members to ensure that environmental and climate risks and impacts are addressed in the company’s strategy.
(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. In case climate is or should have been identified as a principal risk for or a principal impact of the company’s operations, the company should include emissions reduction objectives in its plan.

The plan should take into account the entire value chain and include short-, medium- and long-term targets related to sustainability matters, including absolute greenhouse gas emission reduction targets for scope 1, 2 and 3 emissions for 2030 and reviewed every five years up to 2050, explaining their alignment with a 1.5°C climate scenario with no or limited overshoot and whether such targets are based on science, pursuant to the latest recommendations of the IPCC and the European Scientific Advisory Board on Climate Change; the plan should also include implementing actions to achieve the targets, an explanation of decarbonisation levers identified, and related financial and investment plans.
Amendment 206
Alexandr Vondra

Proposal for a directive
Recital 50

Text proposed by the Commission

(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. In case climate is or should have been identified as a principal risk for or a principal impact of the company’s operations, the company should include emissions reduction objectives in its plan.

Amendment

(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to well below 2 °C aiming at 1.5 °C in line with the Paris Agreement. In case climate is or should have been identified as a principal risk for or a principal impact of the company’s operations, the company should include emissions reduction objectives in its plan.

Or. en

Amendment 207
Antoni Comín i Oliveres

Proposal for a directive
Recital 51

Text proposed by the Commission

(51) With a view to ensure that such emission reduction plan is properly implemented and embedded in the financial incentives of directors, the plan should be duly taken into account when setting directors’ variable remuneration, if variable remuneration is linked to the contribution of a director to the company’s business strategy and long-term interests and sustainability.

Amendment

(51) With a view to ensure that such emission reduction plan is properly implemented and embedded in the financial incentives of directors, the plan should be duly taken into account when setting directors’ variable remuneration.

Or. en
Amendment 208
Marie Toussaint

Proposal for a directive
Recital 51

Text proposed by the Commission

(51) With a view to ensure that such emission reduction plan is properly implemented and embedded in the financial incentives of directors, the plan should be duly taken into account when setting directors’ variable remuneration, if variable remuneration is linked to the contribution of a director to the company’s business strategy and long-term interests and sustainability.

Amendment

(51) The climate targets and transition plan should be properly implemented and embedded in the financial incentives of directors, the plan should be duly taken into account when setting directors’ variable remuneration, if variable remuneration is linked to the contribution of a director to the company’s business strategy and long-term interests and sustainability.

Or. en

Amendment 209
Aurélia Beigneux

Proposal for a directive
Recital 54

Text proposed by the Commission

(54) In order to ensure effective enforcement of national measures implementing this Directive, Member States should provide for dissuasive, proportionate and effective sanctions for infringements of those measures. In order for such sanction regime to be effective, administrative sanctions to be imposed by the national supervisory authorities should include pecuniary sanctions. Where the legal system of a Member State does not provide for administrative sanctions as foreseen in this Directive, the rules on administrative sanctions should be applied in such a way that the sanction is initiated by the competent supervisory authority and

Amendment

(54) In order to ensure effective enforcement of national measures implementing this Directive, Member States shall have the possibility of providing for dissuasive, proportionate and effective sanctions for infringements of those measures. In order for such sanction regime to be effective, administrative sanctions to be imposed by the national supervisory authorities should include pecuniary sanctions. Where the legal system of a Member State does not provide for administrative sanctions as foreseen in this Directive, the rules on administrative sanctions should be applied in such a way that the sanction is initiated by the
imposed by the judicial authority. Therefore, it is necessary that those Member States ensure that the application of the rules and sanctions has an equivalent effect to the administrative sanctions imposed by the competent supervisory authorities.

Amendment 210
Antoni Comín i Oliveres

Proposal for a directive
Recital 54

Text proposed by the Commission
(54) In order to ensure effective enforcement of national measures implementing this Directive, Member States should provide for dissuasive, proportionate and effective sanctions for infringements of those measures. In order for such sanction regime to be effective, administrative sanctions to be imposed by the national supervisory authorities should include pecuniary sanctions. Where the legal system of a Member State does not provide for administrative sanctions as foreseen in this Directive, the rules on administrative sanctions should be applied in such a way that the sanction is initiated by the competent supervisory authority and imposed by the judicial authority. Therefore, it is necessary that those Member States ensure that the application of the rules and sanctions has an equivalent effect to the administrative sanctions imposed by the competent supervisory authorities.

Amendment
(54) In order to ensure effective enforcement of national measures implementing this Directive, Member States should provide for dissuasive, proportionate and effective sanctions for infringements of those measures. In order for such sanction regime to be effective, administrative sanctions to be imposed by the national supervisory authorities should include pecuniary sanctions that are proportionate to the turnover of the company. The legal system of a Member State should provide for administrative sanctions as foreseen in this Directive, without prejudice of their review by the judicial authority.

Or. en
Amendment 211
Marie Toussaint

Proposal for a directive
Recital 56

Text proposed by the Commission

(56) In order to ensure effective compensation of victims of adverse impacts, Member States should be required to lay down rules governing the civil liability of companies for damages arising due to its failure to comply with the due diligence process. The company should be liable for damages if they failed to comply with the obligations to prevent and mitigate potential adverse impacts or to bring actual impacts to an end and minimise their extent, and as a result of this failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures occurred and led to damage.

Amendment

(56) In order to ensure effective compensation of victims of adverse impacts, Member States should be required to lay down rules governing the civil liability of companies for damages arising due to its failure to comply with the due diligence process. The company should be liable for damages if they failed to comply with the obligations to prevent and mitigate potential adverse impacts or to bring actual impacts to an end and minimise their extent, and as a result of this failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures occurred and led to damage. The company should also be liable for damages that result from adverse human rights, environmental or climate impacts that should have been identified, prevented, mitigated, brought to an end or their extent minimised by its subsidiaries.

Or. en

Amendment 212
Marie Toussaint

Proposal for a directive
Recital 57

Text proposed by the Commission

(57) As regards damages occurring at the level of established indirect business relationships, the liability of the company should be subject to specific conditions. The company should not be liable if it

Amendment

(57) When the damage results from adverse impacts caused by business relationships within a company’s value chain, the company should be liable unless it can prove that it took and
carried out specific due diligence measures. However, it should not be exonerated from liability through implementing such measures in case it was unreasonable to expect that the action actually taken, including as regards verifying compliance, would be adequate to prevent, mitigate, bring to an end or minimise the adverse impact. In addition, in the assessment of the existence and extent of liability, due account is to be taken of the company’s efforts, insofar as they relate directly to the damage in question, to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided as well as any collaboration with other entities to address adverse impacts in its value chains.

implemented effective appropriate measures, in accordance with the Directive, to ensure that the damage would not occur. In addition, in the assessment of the existence and extent of liability, due account is to be taken of the company’s efforts, insofar as they relate directly to the damage in question, to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided as well as any collaboration with other entities to address adverse impacts in its value chains.

Or. en

Amendment 213
Antoni Comín i Oliveres

Proposal for a directive
Recital 57 a (new)

Text proposed by the Commission

(57a) Breaches of the obligations laid down in this Directive that have entailed damage for a person or a group of persons can be extremely difficult to prove in court by claimants, since many times this requires access to information that is only possessed by the company. Therefore, it is necessary that this Directive provides for the reversal of the burden of the proof in judicial proceedings regarding damages caused by breaches of the due diligence obligations laid down in this Directive.

Or. en
Amendment 214
Antoni Comín i Oliveres

Proposal for a directive
Recital 58

Text proposed by the Commission Amendment

(58) The liability regime does not regulate who should prove that the company’s action was reasonably adequate under the circumstances of the case, therefore this question is left to national law.

Amendment 215
Marie Toussaint

Proposal for a directive
Recital 58

Text proposed by the Commission Amendment

(58) The liability regime does not regulate who should prove that the company’s action was reasonably adequate under the circumstances of the case, therefore this question is left to national law.

Amendment 216
Antoni Comín i Oliveres

Proposal for a directive
Recital 59

Text proposed by the Commission Amendment

(59) As regards civil liability rules, the civil liability of a company for damages arising due to its failure to carry out
adequate due diligence should be without prejudice to civil liability of its subsidiaries or the respective civil liability of direct and indirect business partners in the value chain. Also, the civil liability rules under this Directive should be without prejudice to Union or national rules on civil liability related to adverse human rights impacts or adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.
length of the proceedings do not prevent claimants from access to courts. These measures might, for example, take the form of public funding, including structural support for victims of actual and potential adverse impacts, limitation of applicable court or administrative fees, or access to legal aid.

Amendment 218
Marie Toussaint
Proposal for a directive
Recital 59 b (new)

Text proposed by the Commission

(59b) The most significant barriers to access to justice for victims of adverse impacts is the difficulty in proving the company’s failure to meet its obligations. In case of a civil liability claim for damages and when prima facie elements are provided by the claimants, the causal link between the damage and the company’s failure to comply should be presumed and the company should have to prove it has complied with its obligations and appropriate measures were taken.

Amendment 219
Marie Toussaint
Proposal for a directive
Recital 59 c (new)

Text proposed by the Commission

(59c) Trade unions, civil society organisations or other relevant actors
acting in the public interest such as the Ombudsman should be able to bring representative actions before their courts on behalf and for the protection of the collective interests of victims of actual and potential adverse impacts, and that these entities have the rights and obligations of a claimant party in the proceedings.

Amendment 220
Antoni Comín i Oliveres
Proposal for a directive
Recital 60

Text proposed by the Commission

(60) As regards civil liability arising from adverse environmental impacts, persons who suffer damage can claim compensation under this Directive even where they overlap with human rights claims.

Amendment

(60) As regards civil liability arising from adverse environmental impacts, persons who suffer damage can claim compensation under this Directive even where they overlap with human rights or labour rights claims.

Amendment 221
Antoni Comín i Oliveres
Proposal for a directive
Recital 61

Text proposed by the Commission

(61) In order to ensure that victims of human rights and environmental harms can bring an action for damages and claim compensation for damages arising due to a company’s failure to comply with the due diligence obligations stemming from this Directive, even where the law applicable to such claims is not the law of a Member State, as could be for instance be the case

Amendment

(61) In order to ensure that victims of human rights, labour rights and environmental harms can bring an action for damages and claim compensation for damages arising due to a company’s failure to comply with the due diligence obligations stemming from this Directive, even where the law applicable to such claims is not the law of a Member State, as
in accordance with international private law rules when the damage occurs in a third country, this Directive should require Member States to ensure that the liability provided for in provisions of national law transposing this Article is of overriding mandatory application in cases where the law applicable to claims to that effect is not the law of a Member State.

could be for instance be the case in accordance with international private law rules when the damage occurs in a third country, this Directive should require Member States to ensure that the liability provided for in provisions of national law transposing this Article is of overriding mandatory application in cases where the law applicable to claims to that effect is not the law of a Member State.

Or. en

Amendment 222
Marie Toussaint

Proposal for a directive
Recital 63

Text proposed by the Commission

(63) In all Member States’ national laws, directors owe a duty of care to the company. In order to ensure that this general duty is understood and applied in a manner which is coherent and consistent with the due diligence obligations introduced by this Directive and that directors systematically take into account sustainability matters in their decisions, this Directive should clarify, in a harmonised manner, the general duty of care of directors to act in the best interest of the company, by laying down that directors take into account the sustainability matters as referred to in Directive 2013/34/EU, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term horizons. Such clarification does not require changing existing national corporate structures.

Amendment

(63) In all Member States’ national laws, directors owe a duty of care to the company. In order to ensure that this general duty is understood and applied in a manner which is coherent and consistent with the due diligence obligations introduced by this Directive and that directors systematically take into account sustainability matters in their decisions, this Directive should clarify, in a harmonised manner, the general duty of care of directors to act in the best interest of the company, by laying down that directors integrate the sustainability matters as referred to in Directive 2013/34/EU, including, human rights, climate change and environmental consequences, including in the short, medium and long term horizons. Such clarification does not require changing existing national corporate structures.

Or. en
Amendment 223
Sirpa Pietikäinen

Proposal for a directive
Recital 63

Text proposed by the Commission

(63) In all Member States’ national laws, directors owe a duty of care to the company. In order to ensure that this general duty is understood and applied in a manner which is coherent and consistent with the due diligence obligations introduced by this Directive and that directors systematically take into account sustainability matters in their decisions, this Directive should clarify, in a harmonised manner, the general duty of care of directors to act in the best interest of the company, by laying down that directors take into account the sustainability matters as referred to in Directive 2013/34/EU, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term horizons. Such clarification does not require changing existing national corporate structures.

Amendment

(63) In all Member States’ national laws, directors owe a duty of care to the company. In order to ensure that this general duty is understood and applied in a manner which is coherent and consistent with the due diligence obligations introduced by this Directive and that directors systematically integrate sustainability matters in their decisions, this Directive should clarify, in a harmonised manner, the general duty of care of directors to act in the best interest of the company, by laying down that directors take into account the sustainability matters as referred to in Directive 2013/34/EU, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term horizons. Such clarification does not require changing existing national corporate structures.

Or. en

Amendment 224
Sirpa Pietikäinen

Proposal for a directive
Recital 64

Text proposed by the Commission

(64) Responsibility for due diligence should be assigned to the company’s directors, in line with the international due diligence frameworks. Directors should therefore be responsible for putting in place and overseeing the due diligence

Amendment

(64) Responsibility for due diligence should be assigned to the company’s directors and board management, in line with the international due diligence frameworks. Directors and board management should therefore have
actions as laid down in this Directive and for adopting the company’s due diligence policy, taking into account the input of stakeholders and civil society organisations and integrating due diligence into corporate management systems. Directors should also adapt the corporate strategy to actual and potential impacts identified and any due diligence measures taken.

**Amendment 225**

**Mick Wallace, Clare Daly**

**Proposal for a directive**

**Recital 64**

**Text proposed by the Commission**

(64) Responsibility for due diligence should be assigned to the company’s directors, in line with the international due diligence frameworks. Directors should therefore be responsible for putting in place and overseeing the due diligence actions as laid down in this Directive and for adopting the company’s due diligence policy, taking into account the input of stakeholders and civil society organisations and integrating due diligence into corporate management systems. Directors should also adapt the corporate strategy to actual and potential impacts identified and any due diligence measures taken.

**Amendment**

(64) Responsibility for due diligence should be assigned to the company’s directors, in line with the international due diligence frameworks. Directors should therefore be responsible for putting in place and overseeing the due diligence actions and the implementation of the plan referred to in Article 15, as laid down in this Directive and for adopting the company’s due diligence policy, taking into account the input of stakeholders and civil society organisations and integrating due diligence and actions under Article 15 into corporate management systems. Directors should also adapt the corporate strategy to actual and potential impacts identified and any due diligence and Article 15 measures taken.
(65) Persons who work for companies subject to due diligence obligations under this Directive or who are in contact with such companies in the context of their work-related activities can play a key role in exposing breaches of the rules of this Directive. They can thus contribute to preventing and deterring such breaches and strengthening the enforcement of this Directive. Directive (EU) 2019/1937 of the European Parliament and of the Council\textsuperscript{106} should therefore apply to the reporting of all breaches of this Directive and to the protection of persons reporting such breaches.


\hspace{1cm} In particular, stakeholders submitting complaints or concerns should be effectively protected, notably by ensuring the confidentiality and anonymity of the complaint or concern raised. Stakeholders should also be protected against Strategic Lawsuit Against Public Participation.

\hspace{1cm} Or. en
Human rights and environmental defenders who directly protect ecosystems are on the front line of the consequences of adverse environmental, climate and human rights impacts worldwide and in the EU, and may be directly threatened, intimidated, persecuted, harassed or even murdered, and as such should also benefit from balanced and effective protection. Indeed, for the past 10 years, an environmental defender has been killed every other day in the world, no less than 200 people in 2021\(^{5a}\). Companies should measure the actual and potential risks of their activities, as well as contextual risks to human rights and environmental defenders, engage with them and publish a policy on defenders that includes a zero-tolerance stance on threats or violence against them. Company policies must explicitly include in their due diligence protocols for safeguarding the rights of Land and Environmental Defenders.

\(^{5a}\) Global Witness (2022), Decade of defiance, Ten years of reporting land and environmental activism worldwide, September 2022.

**Amendment 228**

Marie Toussaint

**Proposal for a directive**

**Recital 70**

The Commission should assess and report whether new sectors should be added to the list of high-impact sectors covered by this Directive, \textit{in order to align}
it to guidance from the Organisation for Economic Cooperation and Development or in light of clear evidence on labour exploitation, human rights violations or newly emerging environmental threats, whether the list of relevant international conventions referred to in this Directive should be amended, in particular in the light of international developments, or whether the provisions on due diligence under this Directive should be extended to adverse climate impacts.

Amendment 229
Mick Wallace, Clare Daly

Proposal for a directive
Recital 70

Text proposed by the Commission

(70) The Commission should assess and report whether new sectors should be added to the list of high-impact sectors covered by this Directive, in order to align it to guidance from the Organisation for Economic Cooperation and Development or in light of clear evidence on labour exploitation, human rights violations or newly emerging environmental threats, whether the list of relevant international conventions referred to in this Directive should be amended, in particular in the light of international developments, or whether the provisions on due diligence under this Directive should be extended to adverse climate impacts.

Amendment

(70) The Commission should assess and report whether new sectors should be added to the list of high-impact sectors covered by this Directive, in order to align it to guidance from the Organisation for Economic Cooperation and Development or in light of clear evidence on labour exploitation, human rights violations or newly emerging environmental threats, whether the list of relevant international conventions referred to in this Directive should be amended, in particular in the light of international developments.

Amendment 230
Maria Arena
Proposal for a directive
Recital 70

Text proposed by the Commission

(70) The Commission should assess and report whether new sectors should be added to the list of high-impact sectors covered by this Directive, in order to align it to guidance from the Organisation for Economic Cooperation and Development or in light of clear evidence on labour exploitation, human rights violations or newly emerging environmental threats, whether the list of relevant international conventions referred to in this Directive should be amended, in particular in the light of international developments, or whether the provisions on due diligence under this Directive should be extended to adverse climate impacts.

Amendment

(70) The Commission should regularly assess and report whether new sectors should be added to the list of high-impact sectors covered by this Directive, in order to align it to guidance from the Organisation for Economic Cooperation and Development or in light of clear evidence on labour exploitation, human rights violations or newly emerging environmental and climate threats, whether the list of relevant international conventions referred to in this Directive should be amended, in particular in the light of international developments.

Amendment 231
Maria Arena

Proposal for a directive
Recital 71

Text proposed by the Commission

(71) The objective of this Directive, namely better exploiting the potential of the single market to contribute to the transition to a sustainable economy and contributing to sustainable development through the prevention and mitigation of potential or actual human rights and environmental adverse impacts in companies’ value chains, cannot be sufficiently achieved by the Member States acting individually or in an uncoordinated manner, but can rather, by reason of the scale and effects of the actions, be better achieved at Union level. In particular, addressed problems and their causes are of

Amendment

(71) The objective of this Directive, namely better exploiting the potential of the single market to contribute to the transition to a sustainable economy and contributing to sustainable development through the prevention and mitigation of potential or actual human rights, environmental, and climate adverse impacts in companies’ value chains, cannot be sufficiently achieved by the Member States acting individually or in an uncoordinated manner, but can rather, by reason of the scale and effects of the actions, be better achieved at Union level. In particular, addressed problems and their
a transnational dimension, as many companies are operating Union wide or globally and value chains expand to other Member States and to third countries. Moreover, individual Member States’ measures risk being ineffective and lead to fragmentation of the internal market. Therefore, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.

Amendment 232
Marie Toussaint
Proposal for a directive
Recital 71

Text proposed by the Commission

(71) The objective of this Directive, namely better exploiting the potential of the single market to contribute to the transition to a sustainable economy and contributing to sustainable development through the prevention and mitigation of potential or actual human rights and environmental adverse impacts in companies’ value chains, cannot be sufficiently achieved by the Member States acting individually or in an uncoordinated manner, but can rather, by reason of the scale and effects of the actions, be better achieved at Union level. In particular, addressed problems and their causes are of a transnational dimension, as many companies are operating Union wide or globally and value chains expand to other Member States and to third countries. Moreover, individual Member States’ measures risk being ineffective and lead to causes are of a transnational dimension, as many companies are operating Union wide or globally and value chains expand to other Member States and to third countries. Moreover, individual Member States’ measures risk being ineffective and lead to
fragmentation of the internal market. Therefore, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.

Amendment 233
Marie Toussaint

Proposal for a directive
Article 1 – paragraph -1 (new)

*Text proposed by the Commission*

-1. *This Directive aims to ensure that companies respect human rights and protect the environment and the climate within their own operations, products throughout their life-cycle and services, subsidiaries and value chains.*

*This Directive shall contribute to the safeguarding of the planetary boundaries at Union level and worldwide.*

Amendment

-1. *This Directive aims to ensure that companies respect human rights and protect the environment and the climate within their own operations, products*
throughout their life-cycle and services, subsidiaries and value chains.

Amendment 235
Maria Arena

Proposal for a directive
Article 1 – paragraph -1 a (new)

Text proposed by the Commission  Amendment

-1a. This Directive shall contribute to the safeguarding of the planetary boundaries at Union level and worldwide.

Amendment 236
Pernille Weiss

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

Text proposed by the Commission  Amendment

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

(a) on obligations for companies regarding risk identification, including information gathering and stakeholder engagement, risk assessment, risk avoidance and risk mitigation and remediation of actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the supply chain operations carried out by entities with whom the company has an established business relationship and
Justification

It is not in the hands of a company to control and take legal responsibility for a customer’s (value chain) actions. Relevant rules can already be found in other fields of EU law regarding downstream operations (i.e. towards customers), for example export control of sensitive materials. Overall, the focus should be on identifying and managing risks.

Amendment 237

Marie Toussaint

Proposal for a directive

Article 1 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 238

Maria Arena

Proposal for a directive

Article 1 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

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

Amendment

(a) on obligations for companies regarding actual and potential human rights adverse impacts, and environmental and climate adverse impacts, with respect to their own operations, products and services, the operations, products and services of their subsidiaries, and the value chain operations carried out by entities with whom the company has a business
<table>
<thead>
<tr>
<th>Amendment 239</th>
<th>Antoni Comín i Oliveres</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposal for a directive</strong></td>
<td><strong>Article 1 – paragraph 1 – subparagraph 1 – point a</strong></td>
</tr>
<tr>
<td><strong>Text proposed by the Commission</strong></td>
<td><strong>Amendment</strong></td>
</tr>
<tr>
<td>(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has <em>an established</em> business relationship and</td>
<td>(a) on obligations for companies regarding actual and potential human <em>rights adverse impacts, labour rights</em> adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has <em>a</em> business relationship and</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amendment 240</th>
<th>Angelika Winzig, Alexander Bernhuber</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposal for a directive</strong></td>
<td><strong>Article 1 – paragraph 1 – subparagraph 1 – point a</strong></td>
</tr>
<tr>
<td><strong>Text proposed by the Commission</strong></td>
<td><strong>Amendment</strong></td>
</tr>
<tr>
<td>(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the <em>value</em> chain operations carried out by entities with whom the company has <em>an established</em> business relationship and</td>
<td>(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the <em>supply</em> chain operations carried out by <em>third country</em> entities with whom the company has <em>a direct</em> established business relationship and</td>
</tr>
</tbody>
</table>
Justification

In order to maintain proportionality and create a regulation that can be implemented in practice, the regulations are to relate only to the upstream supply chain and be limited to tier 1, i.e. direct business partners. Value chain needs to be replaced by supply chain in the entire text. It must be possible to assume that the level of protection within Europe is generally complied with and that the due diligence obligations arising from this directive are therefore limited to direct business partners from third countries.

Amendment 241
Alexandr Vondra

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

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has an established business relationship and</td>
<td>(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has a business relationship and</td>
</tr>
</tbody>
</table>

Or. en

Amendment 242
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 1 – paragraph 1 – subparagraph 1 – point b

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) on liability for violations of the obligations mentioned above.</td>
<td>deleted</td>
</tr>
</tbody>
</table>

Or. en

Justification

In line with the enforcement of the already existing German
Lieferkettensorgfaltspflichtengesetz it should be refrained from providing for an extra civil liability in this Directive. Due diligence obligations can and should be discussed independently of damages. The existing liability regimes of the Member States already provide sufficient and appropriate rules for the civil liability of companies.

Amendment 243
Marie Toussaint

Proposal for a directive
Article 1 – paragraph 1 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) on access to justice for victims of the obligations mentioned above.

Or. en

Amendment 244
Pascal Canfin, Max Orville, Nicolae Ştefănuţă, Frédérique Ries

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

Text proposed by the Commission

Amendment

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

deleted

Or. en

Amendment 245
Antoni Comín i Oliveres

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

Text proposed by the Commission

Amendment

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

deleted
Amendment 246
Alexandr Vondra
Proposal for a directive
Article 1 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

Amendment

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

Amendment 247
Marie Toussaint
Proposal for a directive
Article 1 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

Amendment

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

Amendment 248
Pernille Weiss
Proposal for a directive
Article 1 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

Amendment

The nature of business relationships as ‘established’ shall be reassessed on an ongoing basis, taking a risk-based approach in accordance with the OECD Guidelines for Multinational Enterprises.
and the UN Guiding Principles On Business And Human Rights.

Justification

It is disproportionate to review every 'established business relationships' at least every 12 months (potentially thousands of relationships). The focus should be on identifying and managing risks.

Amendment 249
Angelika Winzig, Alexander Bernhuber

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

Text proposed by the Commission
The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.

Amendment
The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 24 months.

Justification

These regulations require a great deal of administrative efforts. To counter this and to give companies sufficient time to meet their obligations, intervals should be sufficiently long.

Amendment 250
Alexandr Vondra

Proposal for a directive
Article 1 – paragraph 2

Text proposed by the Commission
2. This Directive shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive.

Amendment
2. This Directive shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive. Subsequent to the adoption of
this Directive, Member States shall not introduce in their national law provisions that create obligations diverging from those laid down in this Directive. If Members States have already laws in place that contains diverging from those laid down in this Directive they shall adapt the aforementioned laws.

Or. en

Amendment 251
Antoni Comín i Oliveres

Proposal for a directive
Article 1 – paragraph 2

Text proposed by the Commission

2. This Directive shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive.

Amendment

2. This Directive shall not constitute grounds for reducing the level of protection of human rights, labour rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive.

Or. en

Amendment 252
Pernille Weiss

Proposal for a directive
Article 1 – paragraph 2

Text proposed by the Commission

2. This Directive shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive.

Amendment

2. Member States shall not maintain or introduce, in their national law, provisions on corporate sustainability due diligence diverging from those laid down in this Directive, including more or less stringent provisions, unless otherwise provided for in this Directive.
The purpose of the directive is to create a level playing field within the EU in relation to corporate sustainability due diligence.

Amendment 253
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 1 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall not lay down, in their national law, provisions diverging from those laid down in this Directive, unless otherwise provided for in this Directive.

Justification

In order to avoid a patchwork of different regimes and unequal playing field within the EU, a solution that is as harmonised as possible (full harmonization) should be sought.

Amendment 254
Antoni Comín i Oliveres

Proposal for a directive
Article 1 – paragraph 3

Text proposed by the Commission

Amendment

3. This Directive shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change, and protection of labour rights under other Union legislative acts. If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other
Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations. provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.

Or. en

Amendment 255
Maria Arena

Proposal for a directive
Article 1 – paragraph 3

Text proposed by the Commission
3. This Directive shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change under other Union legislative acts. If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.

Or. en

Amendment 256
Marie Toussaint

Proposal for a directive
Article 1 – paragraph 3

Text proposed by the Commission
3. This Directive shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change under other Union legislative acts. If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.

Or. en
provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.

Amendment 257
Marie Toussaint

Proposal for a directive
Article 2 – paragraph 1 – introductory part

Text proposed by the Commission

1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfil one of the following conditions:

Amendment

1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which normally has at least 3000 employees; employees posted abroad are included.

Amendment 258
Jessica Polfjärd

Proposal for a directive
Article 2 – paragraph 1 – introductory part

Text proposed by the Commission

1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfill one of the following conditions:

Amendment

1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which normally has at least 3000 employees; employees posted abroad are included.
Amendment 259
Marie Toussaint

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

Text proposed by the Commission

(a) the company had more than 500 employees on average and had a net worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared;

Amendment

(a) deleted

Or. en

Amendment 260
Stanislav Polčák

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

Text proposed by the Commission

(a) the company had more than 500 employees on average and had a net worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared;

Amendment

(a) the company globally, including all its subsidiaries and affiliates, had more than 500 employees on average and/or had a net worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared;

Or. cs

Amendment 261
Angelika Winzig, Alexander Bernhuber

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

(a) ...
(a) the company had more than 500 employees on average and had a net
worldwide turnover of more than EUR 150 million in the last financial year for which
annual financial statements have been prepared;

(a) the company had more than 5000 employees on average and had a net
turnover of more than EUR 150 million in the European Union in the last financial
year for which annual financial statements have been prepared;

Justification

This regulation should apply only to companies with the capacity to manage the onerous
requirements set out in the text. The threshold of 5000 employees corresponds to an
alignment with the French "loi n°2017-399 relative au devoir de vigilance des sociétés mères
et entreprises donneuses d’ordre". As a principle, legislation should apply to qualifying
activity inside the Union, therefore only turnover in the European Union should be used for
qualifying conditions. The reference to EU-turnover leads to a level playing field throughout
the EU and puts EU companies on equal footing with companies from third countries.

Amendment 262
Hermann Tertsch

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

Text proposed by the Commission

(a) the company had more than 500 employees on average and had a net
worldwide turnover of more than EUR 150 million in the last financial year for which
annual financial statements have been prepared;

(a) the company had more than 2500 employees on average in the Member
State and had a net turnover of more than EUR 150 million in the last financial year
for which annual financial statements have been prepared;

Amendment 263
Antoni Comín i Oliveres

Proposal for a directive
Article 2 – paragraph 1 – point a
(a) the company had more than 500 employees on average and had a net worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared;

(a) the company had more than 50 employees on average and had a net worldwide turnover of more than EUR 8 million in the last financial year for which annual financial statements have been prepared;

Or. en

Amendment 264
Mick Wallace, Clare Daly

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

Text proposed by the Commission

(a) the company had more than 500 employees on average and had a net worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared;

(a) the company had more than 50 employees on average and had a net worldwide turnover of more than EUR 8 million in the last financial year for which annual financial statements have been prepared;

Or. en

Amendment 265
Angelika Winzig, Alexander Bernhuber

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

(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one

deleted
or more of the following sectors:

(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;

(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Justification

Unequal treatment of sectors is rejected. This distinction leads to problems with delimitation (calculation of turnover, mixed operations, etc.). High-risk sectors should be covered by more specific regulations. There are a large number of sector-specific regulations whose delineation from this legal act is completely unclear (e.g. Deforestation-free products, sustainable Finance, Corporate sustainability Reporting, prohibiting products made with forced labour, Conflict Minerals, ...) This type of double burden is unacceptable, especially for SMEs.

Amendment 266
Marie Toussaint

Proposal for a directive
Article 2 – paragraph 1 – point b
(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors:

(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;

(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Amendment 267
Peter Liese, Radan Kanev, Axel Voss, Hildegard Bentele

Proposal for a directive
Article 2 – paragraph 1 – point b
(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors:

(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;

(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Or. en

Amendment 268
Alexandr Vondra

Proposal for a directive
Article 2 – paragraph 1 – point b – introductory part
(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50\% of this net turnover was generated in one or more of the following sectors:

(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 50 million in the last financial year for which annual financial statements have been prepared, provided that at least EUR 25 million was generated in one or more of the following sectors associated with the applicable statistical classification of economic activities established by Regulation (EC) No 1893/2006 and listed in its Annex II.

Or. en

Amendment 269
Stanislav Polčák

Proposal for a directive
Article 2 – paragraph 1 – point b – introductory part

(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50\% of this net turnover was generated in one or more of the following sectors:

(b) the company did not reach the thresholds under point (a), but had globally, including all its subsidiaries and affiliates, more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50\% of this net turnover was generated in one or more of the following sectors:

Or. cs

Amendment 270
Antoni Comín i Oliveres
Proposal for a directive
Article 2 – paragraph 1 – point b – introductory part

Text proposed by the Commission

(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors:

Amendment

(b) the company did not reach the thresholds under point (a), but had a net worldwide turnover of more than EUR 4 million, and at least 50% of this net turnover was generated in one or more of the following sectors:

Amendment 271
Mick Wallace, Clare Daly

Proposal for a directive
Article 2 – paragraph 1 – point b – introductory part

Text proposed by the Commission

(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors:

Amendment

(b) the company did not reach the thresholds under point (a), but had a net worldwide turnover of more than EUR 8 million in the last financial year and at least 30% of this net turnover was generated in one or more of the following sectors:

Amendment 272
Mick Wallace, Clare Daly

Proposal for a directive
Article 2 – paragraph 1 – point b – point i
Text proposed by the Commission

(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

Amendment

(i) the manufacture of textiles, fur, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

Or. en

Amendment 273
Pascal Canfin, Max Orville, Nicolae Ştefănuţă, Frédérique Ries, Michal Wiezik, Martin Hojsík

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

Text proposed by the Commission

(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

Amendment

(i) the manufacture of textiles, fur, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;

Or. en

Amendment 274
Mick Wallace, Clare Daly

Proposal for a directive
Article 2 – paragraph 1 – point b – point i a (new)

Text proposed by the Commission

(ia) the manufacture of weapons and ammunition, including dual-use items, and the manufacture of military fighting vehicles;

Amendment

(ia) the manufacture of weapons and ammunition, including dual-use items, and the manufacture of military fighting vehicles;

Or. en

Amendment 275
Pascal Canfin, Max Orville, Nicolae Ştefănuţă, Frédérique Ries, Michal Wiezik, Martin...
Proposal for a directive
Article 2 – paragraph 1 – point b – point ii

Text proposed by the Commission

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;

Amendment

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, animal products, wood, food, and beverages;

Or. en

Amendment 276
Mick Wallace, Clare Daly

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

Text proposed by the Commission

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;

Amendment

(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, animal products, wood, food, and beverages;

Or. en

Amendment 277
Antoni Comín i Oliveres

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

Text proposed by the Commission

(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well

Amendment

(iii) the extraction and transportation of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals
as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Or. en

Amendment 278
Mick Wallace, Clare Daly

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

Text proposed by the Commission

(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Amendment

(iii) energy, the extraction, transport and handling of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Or. en

Amendment 279
Pascal Canfin, Max Orville, Nicolae Ștefanuță, Frédérique Ries, Michal Wiezik, Martin Hojsík
Proposal for a directive
Article 2 – paragraph 1 – point b – point iii

Text proposed by the Commission

(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Amendment

(iii) energy, the extraction, transport and handling of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).

Or. en

Amendment 280
Mick Wallace, Clare Daly

Proposal for a directive
Article 2 – paragraph 1 – point b – point iii a (new)

Text proposed by the Commission

(iii)a financial and insurance activities as listed in Article 3 (a) (iv);

Amendment

(iii)a the financial sector;

Or. en

Amendment 281
Antoni Comín i Oliveres

Proposal for a directive
Article 2 – paragraph 1 – point b – point iii a (new)
Amendment 282
Antoni Comín i Oliveres

Proposal for a directive
Article 2 – paragraph 1 – point b – point iii b (new)

Text proposed by the Commission

(iiiib) the building of infrastructures and logistics.

Amendment

Or. en

Amendment 283
Pascal Canfin, Max Orville, Nicolae Ştefănuţă, Frédérique Ries, MichalWiezik

Proposal for a directive
Article 2 – paragraph 1 – point b a (new)

Text proposed by the Commission

(ba) The company is covered by Regulation (EU) 2021/0104 (CSRD);

Amendment

Or. en

Amendment 284
Jessica Polfjärd

Proposal for a directive
Article 2 – paragraph 1 a (new)

Text proposed by the Commission

1a. The subsidiaries of an undertaking shall be deemed in compliance with the obligation to establish a due diligence strategy if their parent undertaking includes them in their due diligence strategy.

Amendment
Amendment 285
Marie Toussaint

Proposal for a directive
Article 2 – paragraph 2 – introductory part

*Text proposed by the Commission*

2. This Directive shall also apply to companies which are formed in accordance with the legislation of a third country, and *fulfil one of the following conditions:*

*Amendment*

2. This Directive shall also apply to *large as well as listed small and medium-sized* companies which are formed in accordance with the legislation of a third country, and *have generated a net turnover of more than EUR 8 million in the financial year preceding the last financial year.*

Amendment 286
Antoni Comín i Oliveres

Proposal for a directive
Article 2 – paragraph 2 – introductory part

*Text proposed by the Commission*

2. This Directive shall also apply to companies which are formed in accordance with the legislation of a third country, and *fulfil one of the following conditions:*

*Amendment*

2. This Directive shall also apply to companies which are formed in accordance with the legislation of a third country, and *generated a net turnover of more than EUR 4 million in the Union in the financial year preceding the last financial year;*

Amendment 287
Marie Toussaint
Proposal for a directive
Article 2 – paragraph 2 – point a

Text proposed by the Commission

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment 288
Antoni Comín i Oliveres

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

Text proposed by the Commission

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment 289
Alexandr Vondra

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

Text proposed by the Commission

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment

(a) generated a net worldwide turnover of more than EUR 300 million, provided that at least EUR 150 million was generated in the Union in the financial year preceding the last financial year;
Amendment 290
Pernille Weiss

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

Text proposed by the Commission

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment

(a) generated a net **worldwide** turnover of more than EUR 150 million in the financial year preceding the last financial year **and at least EUR 20 million hereof was generated in the Union**;

Justification

It is important to ensure a level playing field for companies on the EU market based inside and outside the EU (same worldwide turnover applying in art. 2(1)(a) should also be applied in art. 2(2)a), however for third country companies there also needs to be some turn-over inside the EU. This threshold of turnover inside the Union should not be too low (where it would be unjustified to regulate those companies) or too high (where it would not create a level playing field with EU-based companies).

Amendment 291
Jan Huitema, Andreas Glück, Emma Wiesner

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

Text proposed by the Commission

(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;

Amendment

(a) generated a net turnover of more than EUR 150 million **worldwide** in the financial year preceding the last financial year;

Justification

Using the generated net turnover worldwide will level the playing field for both EU- and non-EU companies.
Amendment 292
Angelika Winzig, Alexander Bernhuber

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

Text proposed by the Commission

(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union in the financial year preceding the last financial year, provided that at least 50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Amendment

Deleted

Or. en

Justification

Unequal treatment of sectors is rejected for non-European as well as European companies. No competent authority in the EU would be able to define, investigate or enforce this.

Amendment 293
Antoni Comín i Oliveres

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

Text proposed by the Commission

(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union in the financial year preceding the last financial year, provided that at least 50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Amendment

Deleted

Or. en

Amendment 294
Marie Toussaint
Proposal for a directive
Article 2 – paragraph 2 – point b

Text proposed by the Commission

(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union in the financial year preceding the last financial year, provided that at least 50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Amendment 295
Pernille Weiss

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

Text proposed by the Commission

(b) generated a net worldwide turnover of more than EUR 40 million, where at least EUR 10 million was generated in the Union in the financial year preceding the last financial year, provided that at least 50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Justification
See justification for AM to Article 2(2a).

Amendment 296
Alexandr Vondra

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

PE737.344v01-00 148/219 AM\1265194EN.docx
(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million \textit{in the Union} in the financial year preceding the last financial year, provided that at least 50\% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Amendment

(b) generated a net \textit{worldwide} turnover of more than EUR 50 million but not more than EUR 300 million in the financial year preceding the last financial year, provided that at least EUR 25 million was generated in the Union and at least 25 million of the net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Or. en

Amendment 297
Jan Huitema, Andreas Glück, Emma Wiesner

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

Text proposed by the Commission

(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million \textit{in the Union} in the financial year preceding the last financial year, provided that at least 50\% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Amendment

(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million \textit{worldwide} in the financial year preceding the last financial year, provided that at least 50\% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Or. en

Justification

Using the generated net turnover \textit{worldwide} will level the playing field for both EU- and non-EU companies.

Amendment 298
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 2 – paragraph 3
Text proposed by the Commission

3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.

Amendment

3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.

Or. en

Justification

Including temporary agency workers might make the numbers very volatile. By including them, some companies might fall under the scope of the directive in one year but not in the next year. Therefore, only directly employed workers should be used for the calculation.

Amendment 299
Alexandr Vondra

Proposal for a directive
Article 2 – paragraph 3

Text proposed by the Commission

3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.

Amendment

3. For the purposes of paragraph 1, the number of part-time employees shall be calculated as the sum of their combined full-time equivalents. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.

Or. en

Amendment 300
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 2 – paragraph 3 a (new)
Amendment

3a. For the purposes of paragraph 1, the number of employees and net turnover of all the subsidiaries of the company shall be included in the calculation of the number of employees and net turnover of the company. For the purposes of paragraph 2, the net turnover of all the subsidiaries of the company shall be included in the calculation of turnover of the company and only the net turnover generated by subsidiaries in the Union shall be included in the calculation of the net turnover generated in the Union.

Or. en

Justification

The thresholds are counted on the group level but only parent company falls into the scope of the proposed Directive. Subsidiaries shall only be covered by the scope when the subsidiaries with their subsidiaries also meet the thresholds, etc.

Amendment 301
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point a – point i

Text proposed by the Commission

(i) a legal person constituted as one of the legal forms listed in Annex I to Directive 2013/34/EU of the European Parliament and of the Council\textsuperscript{110};

Amendment

(i) a legal person constituted as one of the legal forms listed in Annex I and II to Directive 2013/34/EU of the European Parliament and of the Council\textsuperscript{110};

Amendment 302
Alexandr Vondra

Proposal for a directive  
Article 3 – paragraph 1 – point a – point iv – indent 9

Text proposed by the Commission

— an alternative investment fund (AIF) managed by an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU or an AIF supervised under the applicable national law;

Amendment

deleted

Or. en

Amendment 303
Alexandr Vondra

Proposal for a directive  
Article 3 – paragraph 1 – point a – point iv – indent 10

Text proposed by the Commission

— UCITS in the meaning of Article 1(2) of Directive 2009/65/EC;

Amendment

deleted

Or. en

Amendment 304
Maria Arena

Proposal for a directive  
Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the

Amendment

(b) ‘adverse environmental and climate impact’ means an adverse impact on the environment or the climate resulting from the violation of one of the prohibitions and obligations established under international environmental law, including, but not
Annex, Part II; limited to, a violation within the meaning of the Directive (UE) .../... of the European Parliament and of the Council*, or an adverse impact contributing to the exceeding of planetary boundaries and on one of, but not limited to, the following categories:

(a) climate, including but not limited to greenhouse gas emissions and the destruction or degradation of carbon sinks;
(b) air quality, air pollution and atmosphere;
(c) water pollution, water contamination, access to water and depletion of freshwater;
(d) soil, such as soil pollution, soil contamination, soil erosion, land degradation and desertification;
(e) biodiversity, including damage to wildlife, seabed and marine environment, flora, fauna, natural habitats and ecosystems;
(f) light, noise and vibration;
(g) contamination by hazardous substances;
(h) human health in accordance with the 'One Health' approach;

Amendment 305
Mick Wallace, Clare Daly

Proposal for a directive
Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations

Amendment

(b) ‘adverse environmental impact’ means:
pursuant to the international environmental conventions listed in the Annex, Part II;

(i) any adverse impact on one of the following environmental categories:
   (a) air, including air pollution and atmosphere;
   (b) water, including water pollution, water contamination, access to water and depletion of freshwater;
   (c) soil, including soil pollution, soil contamination, soil erosion and land degradation;
   (d) biodiversity, including damage to wildlife, seabed and marine environment, flora, fauna, natural habitats and ecosystems;
   (e) climate, including greenhouse gas emissions;
   (f) transition to circular economy, including impairment to reusability and recyclability;

(ii) any violation of one of the international environmental standards enshrined in the international environmental conventions listed in the Annex, Part II;

Amendment 306
Sirpa Pietikäinen

Proposal for a directive
Article 3 – paragraph 1 – point b

Text proposed by the Commission
(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations

Amendment
(b) ‘adverse environmental impact’ means:
environmental conventions listed in the Annex, Part II;

(i) any adverse impact on one of the following environmental categories:
(a) climate change mitigation;
(b) climate change adaptation;
(c) the sustainable use and protection of water, marine and soil resources;
(d) the transition to circular economy including resource use;
(e) pollution prevention and control;
(f) protection and restoration of biodiversity and ecosystems;

(ii) an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations established under international environmental law, including, but not limited to, the international environmental conventions listed in the Annex, Part II;

Or. en

Justification

The amendment aims to reflect the environmental matters listed in the Taxonomy and the CSRD. This offers greater clarity for companies as well, when they have to identify the adverse environmental impacts within their due diligence.

Amendment 307
Pascal Canfin, Max Orville, Nicolae Ștefănuță, Frédérique Ries, Michal Wiezik, Martin Hojsík

Proposal for a directive
Article 3 – paragraph 1 – point b

Text proposed by the Commission
(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental law.

Amendment
(b) ‘adverse environmental impact’ means
conventions listed in the Annex, Part II;

(i) any adverse impact on one of the following environmental categories:
(a) climate change mitigation;
(b) climate change adaptation;
(c) water and marine resources;
(d) resource use and circular economy;
(e) pollution;
(f) biodiversity and ecosystems;

(ii) an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex, Part II;

Or. en

**Justification**

The amendment aims to reflect the environmental matters listed in the Taxonomy and the CSRD. Recital 40 of the CSRD "Regulation (EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards." We believe that the same reasoning should apply to the definition of adverse environmental impact in the CSDDD to offer greater clarity to companies.

**Amendment 308**

**Marie Toussaint**

**Proposal for a directive**

**Article 3 – paragraph 1 – point b**

**Text proposed by the Commission**

(b) ‘adverse environmental impact’

**Amendment**

(b) ‘adverse environmental impact and climate’ means:

\[
\text{an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex, Part II;}
\]
The restrictive approach of adverse environmental impacts by referring to a limited list of environmental norms risks creating legal loopholes as international environmental law is sectoral and fragmented. Not all environmental impacts that a company can cause or contribute to are covered by international conventions (for example: soil pollution, forests and the prevention of deforestation, plastic pollution...). The proposed list is far from complete: some key multilateral environmental agreements are missing such as the Aarhus Convention or the Paris Agreement.

Amendment 309
Peter Liese, Radan Kanev, Pernille Weiss, Axel Voss, Hildegard Bentele

Proposal for a directive
Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex, Part II;

Amendment

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the principles set out in the OECD Due Diligence Guidance for Responsible Business Conduct, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as regards the environment;

Or. en

Amendment 310
Agnès Evren

Proposal for a directive
Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations

Amendment

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations
pursuant to the international environmental conventions listed in the Annex, Part II;

pursuant to the international environmental conventions listed in the Annex, Part II, taking into account the national provisions implementing one of these prohibitions and obligations;

Amendment 311
Bas Eickhout

Proposal for a directive
Article 3 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex, Part II;

(b) ‘adverse environmental and climate impact’ means an adverse impact on the environment or climate resulting from any violation of one of the international and European environmental standards enshrined, including but not limited to, in the international environmental conventions and Union legislation listed in the Annex, Part II;

Amendment 312
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point b – point i (new)

Text proposed by the Commission

Amendment

i) contributing to the exceeding of planetary boundaries;

Amendment 313
Marie Toussaint
Proposal for a directive
Article 3 – paragraph 1 – point b – point ii (new)

Text proposed by the Commission

**Amendment**

ii) an adverse impact on the following elements or functions of ecosystems and the interrelations between them:

(a) climate, including but not limited to greenhouse gas emissions and the destruction or degradation of sinks;

(b) air and the atmosphere, including but not limited to air pollution;

(c) water and access to water, including but not limited to, water use, water pollution, water quantities and depletion of freshwater;

(d) soil, including but not limited to, soil pollution, soil erosion, land use and land degradation, soil contamination from waste disposal and treatment;

(e) biodiversity, including but not limited to, damage to wildlife, flora, seabed and marine environment, natural habitats and ecosystems;

(f) hazardous substances;

(g) energy use;

(i) the transition to a circular economy, including but not limited to impairment to reusability and recyclability;

(j) light, noise and vibration, including not limited to noise and light pollution;

(k) human health in accordance with the ‘One Health’ approach and the right to a healthy environment, including but not limited to occupational health, safety and the deterioration of working conditions due to climate change or the exceeding of planetary boundaries, such as the rise of temperatures to an unbearable level for their workers.
**Justification**

The Commission opted for a restrictive approach of adverse environmental impacts by referring to the violation of specific prohibitions and obligations of an exhaustive and limited list of environmental norms. However, adverse environmental impacts can occur even in the absence of a demonstrable violation of such a norm. This amendment suggests an holistic and broad approach of adverse environmental and climate impacts, such as in the French Due Diligence Law, and is based on the definition adopted in the Batteries and Waste Batteries Regulation.

### Amendment 314

**Proposal for a directive**

**Article 3 – paragraph 1 – point b a (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ba) 'Planetary boundaries' means climate change, biosphere integrity (functional and genetic), land-system changes, freshwater use, biogeochemical flows (nitrogen and phosphorus), ocean acidification, atmospheric aerosol pollution, stratospheric ozone depletion, and release of chemicals as defined by the Stockholm Resilience Centre;</td>
<td>Or. en</td>
</tr>
</tbody>
</table>

### Amendment 315

**Proposal for a directive**

**Article 3 – paragraph 1 – point b a (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ba) &quot;adverse labour rights impact&quot; means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, Part I Section 1, as enshrined</td>
<td>Or. en</td>
</tr>
</tbody>
</table>
in the international conventions listed in the Annex, Part I Section 1;
Amendment 318
Agnès Evren

Proposal for a directive
Article 3 – paragraph 1 – point c

_text proposed by the Commission_ (c) ‘adverse human rights impact’ means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, Part I Section 1, as enshrined in the international conventions listed in the Annex, Part I Section 2;

_text proposed by the Commission_ (c) ‘adverse human rights impact’ means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, Part I Section 1, as enshrined in the international conventions listed in the Annex, Part I Section 2, taking into account the national provisions implementing one of these prohibitions and obligations;

Amendment 319
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point c a (new)

_text proposed by the Commission_ (ca) ‘high-impact sector’ means any of the following:

_text proposed by the Commission_ (i) the energy sector, including gas, nuclear, steam, electricity and other sources throughout their life cycle, from extraction, refining, production, combustion of fuels, transportation, storage and waste management including radioactive waste;

_text proposed by the Commission_ (ii) the production, use and disposal of organic and inorganic chemicals, including pharmaceuticals, plant protection products and fertilisers;

_text proposed by the Commission_ (iii) the manufacture of textiles, leather, fur and related products (including footwear), and the wholesale
trade of textiles, clothing and footwear;
(iv) plastic production, waste shipment and management;
(v) agriculture, water supply, forestry, fisheries (including aquaculture), the management of land and resources (including in relation to nature conservation or other related activities), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, animal products, wood, food, beverages;
(vi) construction sector and building infrastructures;
(vii) transportation sector, logistics and storage;
(viii) the extraction and refining of mineral resources, transport and handling, regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products, and the wholesale trade of mineral resources, basic and intermediate mineral products (including metal sand metal ores, construction materials, fuels, chemicals and other intermediate products);
(ix) the production, use and waste management of electronic products;
(x) waste management sector;
(xi) employment activities;
(xii) health care, social care and elder care;
(xiii) cleaning and household services;
(xiv) hospitality;
(xv) financial and insurance activities;
(xvi) technology, digital activities and online platforms
Amendment 320
Jan Huitema, Emma Wiesner, Andreas Glück

Proposal for a directive
Article 3 – paragraph 1 – point e

Text proposed by the Commission  
Amendment

(e) ‘business relationship’ means a relationship with a contractor, subcontractor or any other legal entities (‘partner’)

(i) with whom the company has a commercial agreement or to whom the company provides financing, insurance or reinsurance, or

(ii) that performs business operations related to the products or services of the company for or on behalf of the company;

Amendment 321
Pernille Weiss

Proposal for a directive
Article 3 – paragraph 1 – point e – introductory part

Text proposed by the Commission  
Amendment

(e) ‘business relationship’ means a relationship with a contractor, subcontractor or any other legal entities (‘partner’)

(e) ‘business relationship’ means a relationship with a contractor, subcontractor or any other legal entities (‘partner’) in the supply chain

Justification

See justification for AM to Article 1(1).
Amendment 322
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point e – introductory part

_text proposed by the Commission_

(e) ‘business relationship’ means a relationship with _a contractor_, subcontractor or any other legal entities (‘partner’)

_text amended by the Commission_

(e) ‘business relationship’ means a _direct contractual_ relationship with any other legal entities (‘partner’)

_Justification_

This Directive attempts to introduce new definitions for widely used business terms. In order to provide legal certainty, including the ability to enforce, only direct contractual relationship should be considered.

Amendment 323
Jan Huitema, Andreas Glück, Emma Wiesner

Proposal for a directive
Article 3 – paragraph 1 – point e – point i

_text proposed by the Commission_

(i) _with whom the company has a commercial agreement or to whom the company provides financing, insurance or reinsurance, or_

_text amended by the Commission_

deleted

_text proposed by the Commission_

(ii) _that performs business operations_

_text amended by the Commission_

deleted
related to the products or services of the company for or on behalf of the company;

Amendment 325
Antoni Comín i Oliveres

Proposal for a directive
Article 3 – paragraph 1 – point e – point ii a (new)

Text proposed by the Commission

(iia) that is not commercial in nature, but includes activities that are linked to the operations of the company.

Amendment

Amendment 326
Jan Huitema, Andreas Glück, Emma Wiesner

Proposal for a directive
Article 3 – paragraph 1 – point f

Text proposed by the Commission

(f) ‘established business relationship’ deleted

means a business relationship, whether direct or indirect, which is, or which is expected to be lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the value chain;

Justification

Having this Directive apply only to 'established business relationships' is not only not conform OECD-standards, it also provides a perverse incentive to establish ad-hoc, high-risk and short-term business relationships. Instead, all business relationships should be taken into account, specifically prioritizing those categorized as 'high-risk'.
Amendment 327
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) ‘established business relationship’ deleted
means a business relationship, whether
direct or indirect, which is, or which is
expected to be lasting, in view of its
intensity or duration and which does not
represent a negligible or merely ancillary
part of the value chain;

Or. en

Amendment 328
Antoni Comín i Oliveres

Proposal for a directive
Article 3 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) ‘established business relationship’ deleted
means a business relationship, whether
direct or indirect, which is, or which is
expected to be lasting, in view of its
intensity or duration and which does not
represent a negligible or merely ancillary
part of the value chain;

Or. en

Amendment 329
Alexandr Vondra

Proposal for a directive
Article 3 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) ‘established business relationship’ (f) ‘business relationship’ means a
means a business relationship, whether direct or indirect, which is, or which is expected to be lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the value chain;

business relationship, whether direct or indirect, which is relevant based on the severity and likelihood of adverse impacts associated therewith;

Amendment 330
Pernille Weiss

Proposal for a directive
Article 3 – paragraph 1 – point f

Text proposed by the Commission

(f) ‘established business relationship’ means a business relationship, whether direct or indirect, which is, or which is expected to be lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the value chain;

Amendment

(f) ‘established business relationship’

Text proposed by the Commission

(f) ‘established business relationship’

Amendment

(f) ‘established business relationship’

Justification

The definition of "Established business relationships" is decisive for the extent of legal liability related to due diligence. Legal liability can only apply when it is clear what needs to be done and when the required action is within the sphere of control of the entity with whom the liability lies. None of these preconditions are met if liability expands to indirect business relationships, where the company does not hold sufficient leverage power. It may also force European companies to reduce cooperation with partners in developing countries.

Amendment 331
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point f

Text proposed by the Commission

(f) ‘established business relationship’

Amendment

(f) ‘established business relationship’
means a business relationship, **whether direct or indirect, which is, or which is expected to be** lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the **value** chain;

means a **direct** business relationship, which is lasting in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the **supply** chain and which has lasted for more than one year;

---

**Justification**

_Established business relationships must be defined as precisely as possible. The delimitation of one year duration is practicable_

---

**Amendment 332**

_Agnès Evren_

**Proposal for a directive**

**Article 3 – paragraph 1 – point f**

**Text proposed by the Commission**

(f) ‘established business relationship’ means a **business relationship, whether direct or indirect, which is, or which is expected to be** lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the **value** chain;

**Amendment**

(f) ‘established business relationship’ means a direct **business relationship** which is, or which is expected to be, lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the **value** chain;

---

**Amendment 333**

_Jan Huitema, Andreas Glück, Emma Wiesner_

**Proposal for a directive**

**Article 3 – paragraph 1 – point f a (new)**

**Text proposed by the Commission**

(fa) ‘supply chain’ means the network of organizations that cooperate to transform raw materials into finished goods and services for consumers.

**Amendment**

(fa) ‘supply chain’ means the network of organizations that cooperate to transform raw materials into finished goods and services for consumers.
Amendment 334
Jan Huitema, Andreas Glück, Emma Wiesner

Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission  
Amendment

(g) ‘value chain’ means activities deleted related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Justification

This Directive should only apply to the company's supply chain, conform OECDs supply chain responsibility. Moreover, applying due diligence throughout the whole value chain will lead to unlimited liability, with little to no room for differentiation between consequences of own acts, and those occurring further down the chain.

Amendment 335
Mick Wallace, Clare Daly
Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Amendment

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company.

Amendment 336
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to

Amendment

(g) ‘value chain of a company’ means activities related to the production of goods or the provision of services by the company, its subsidiaries or companies in which it holds a minority shareholding, including the development of the product or the service and the use, waste management and disposal of the product as well as the related activities of upstream and downstream business relationships of
the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Amendment 337
Hermann Tertsch
Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Amendment

(g) ‘supply chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the direct clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The supply chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;
Amendment 338
Antoni Comín i Oliveres

Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Amendment

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream business relationships of the company, and including semi-formal and informal working schemes as well as subcontracting and home-based work. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Or. en

Amendment 339
Alexandr Vondra

Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product

Amendment

(g) ‘supply chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product
or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Justification

(This amendment applies throughout the text.)

Amendment 340
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group

Amendment

(g) ‘supply chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service as well as the related activities of upstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘supply chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in
whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

question. The supply chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Justification

This Directive attempts to introduce new definitions for widely used business terms. Companies are most directly responsible and can extend their influence upstream to a direct partner in the supply chain if necessary. Anything beyond this is disproportionate, impractical and unimplementable

Amendment 341
Agnès Evren

Proposal for a directive
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Amendment

(g) ‘value chain’ means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;

Or. fr
Amendment 342
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point g a (new)

Text proposed by the Commission

Amendment

(ga) ‘products’ means any items at each stage of its life-cycle that are produced, used, sold, supplied, made available or disposed by an undertaking;

Or. en

Amendment 343
Jan Huitema, Andreas Glück, Emma Wiesner

Proposal for a directive
Article 3 – paragraph 1 – point g a (new)

Text proposed by the Commission

Amendment

(ga) ‘direct supplier’ means suppliers that sell a good directly to a company, without any intermediaries.

Or. en

Amendment 344
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point g b (new)

Text proposed by the Commission

Amendment

(gb) ‘services’ means services within the meaning of article 57 TFEU;

Or. en
Amendment 345
Stanislav Polčák

Proposal for a directive
Article 3 – paragraph 1 – point h

Text proposed by the Commission

(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit;

Amendment

(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by a duly authorised auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit, including legal liability to third parties who may suffer damage as a result of a deficient audit;

Or. cs

Amendment 346
Maria Arena

Proposal for a directive
Article 3 – paragraph 1 – point h

Text proposed by the Commission

(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit;

Amendment

(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights, environmental, and climate requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience, expertise and competence in environmental, climate and human rights matters and is accountable for the quality
(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit;
in environmental and human rights matters and is accountable for the quality and reliability of the audit;

and competence in environmental, labour human rights matters and is accountable for the quality and reliability of the audit;

Amendment 349
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point h

Text proposed by the Commission

(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit;

Amendment

(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its supply chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has the requisite experience and competence and is accountable for the quality and reliability of the audit;

Amendment 350
Maria Arena

Proposal for a directive
Article 3 – paragraph 1 – point h a (new)

Text proposed by the Commission

(ha) ‘human rights and environmental defenders’ means individuals and groups who, in their personal or professional capacity and in a peaceful manner, strive

Amendment

(ha) ‘human rights and environmental defenders’ means individuals and groups who, in their personal or professional capacity and in a peaceful manner, strive
to protect and promote human rights relating to the environment and climate, including biodiversity, water, air, land, soil, flora and fauna;

Amendment 351
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point h a (new)

Text proposed by the Commission

(ka) ‘environmental human rights defenders’ means individuals and groups who, in their personal or professional capacity and in a peaceful manner, strive to protect and promote human rights relating to the environment and climate, including biodiversity, water, air, land, soil, flora and fauna

Amendment

Or. en

Amendment 352
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point h b (new)

Text proposed by the Commission

(hb) ‘human rights defenders’ means individuals, groups and organs of society that promote and protect universally recognised human rights and fundamental freedoms; human rights defenders seek the promotion and protection of civil and political rights as well as the promotion, protection and realisation of economic, social and cultural rights; human rights defenders also promote and protect the rights of
members of groups such as indigenous communities;

Amendment 353
Alexandr Vondra

Proposal for a directive
Article 3 – paragraph 1 – point i

Text proposed by the Commission

(i) ‘SME’ means a micro, small or medium-sized enterprise, irrespective of its legal form, that is not part of a large group, as those terms are defined in Article 3(1), (2), (3) and (7) of Directive 2013/34/EU;

Amendment

(i) 'small and medium-sized enterprise' or 'SME' means a micro, small or medium-sized enterprise within the meaning of the Annex to Commission Recommendation 2003/361/EC128a


Amendment 354
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point j

Text proposed by the Commission

(j) ‘industry initiative’ means a combination of voluntary value chain due diligence procedures, tools and mechanisms, including independent third-party verifications, developed and overseen by governments, industry associations or groupings of interested organisations;

Amendment

(j) ‘industry initiative’ means a combination of voluntary supply chain due diligence procedures, tools and mechanisms, including independent third-party verifications, developed and overseen by governments, industry associations or groupings of interested organisations;
Value chain needs to be replaced by supply chain in the entire text.

Amendment 355
Antoni Comín i Oliveres

Proposal for a directive
Article 3 – paragraph 1 – point l

Text proposed by the Commission

(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Amendment

(l) ‘severe adverse impact’ means an adverse environmental impact, an adverse labour rights impact and an adverse human rights impact that is especially significant by its nature, or breaches essential international law obligations, or affects a large number of persons or a large area of the environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Amendment 356
Aurélia Beigneux

Proposal for a directive
Article 3 – paragraph 1 – point l

Text proposed by the Commission

(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Amendment

(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment, or which is irreversible, strictly insofar as it concerns the environment, or is particularly difficult
necessary to restore the situation prevailing prior to the impact; to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Amendment 357
Stanislav Polčák

Proposal for a directive
Article 3 – paragraph 1 – point l

Text proposed by the Commission

(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Amendment

(l) ‘severe adverse impact’ means an adverse environmental or climatic impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment or affects the territory of two or more states, or which is irreversible, or is difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Or. fr

Amendment 358
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point l

Text proposed by the Commission

(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing

Amendment

(l) ‘severe adverse impact’ means an adverse environmental and climate impact or an adverse human rights impact that is especially significant by its nature, or affects or could affect a large number of persons or a large area of the environment, or which is or could be irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the
prior to the impact; the situation prevailing prior to the impact;

Amendment 359
Maria Arena

Proposal for a directive
Article 3 – paragraph 1 – point l

Text proposed by the Commission

(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Amendment

(l) ‘severe adverse impact’ means an adverse environmental and climate impact or an adverse human rights impact that is especially significant by its nature, or affects or could affect a large number of persons or a large area of the environment, or which is or could be irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;

Or. en

Amendment 360
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point n

Text proposed by the Commission

(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, and other individuals, groups, communities or entities whose rights or interests are or could be affected by the products, services and operations of that company, its subsidiaries and its business relationships;

Amendment

(n) ‘stakeholders’ means

(i) the company’s workers, the employees of its subsidiaries, and other individuals, groups, communities, or
entities or non-governmental organisations whose rights or interests are or could be affected by the products, services and operations or by the potential or actual adverse impacts on human rights, climate and environment of that company, its subsidiaries and its business relationships across the entire value chain;

(ii) organisations who have as a statutory purpose the defence of human rights, climate, the environment and good governance; and

(iii) other legal or natural persons engaged in the defence of human rights, climate, the environment, land or good governance.

Amendment 361
Hermann Tertsch

Proposal for a directive
Article 3 – paragraph 1 – point n

Text proposed by the Commission

(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, and other individuals, groups, communities or entities whose rights or interests are or could be affected by the products, services and operations of that company, its subsidiaries and its business relationships;

Amendment

(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, and other individuals, groups, communities or entities whose rights or interests are or could be affected by the products, services and operations of that company, its subsidiaries and its business relationships having a legitimate and substantive interest;

Amendment 362
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point n

AM\1265194EN.docx 185/219 PE737.344v01-00
Text proposed by the Commission

(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, and other individuals, groups, communities or entities whose rights or interests are or could be affected by the products, services and operations of that company, its subsidiaries and its business relationships;

(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, and other individuals, groups, communities or entities whose rights or interests are affected by adverse human rights impacts and adverse environmental impacts arising from the products, services and operations of that company, its subsidiaries and its business relationships;

Justification

In order to ensure legal certainty, the definition must be precise. It is not reasonable for a conditional definition of entities that could be impacted.

Amendment 363
Marie Toussaint

Proposal for a directive
Article 3 – paragraph 1 – point q

Text proposed by the Commission

(q) ‘appropriate measure’ means a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and of the specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action.

(q) ‘appropriate measure’ means a set of measures that is capable of achieving the objectives of due diligence and effectively addressing the adverse impact, commensurate with the degree of severity and the likelihood of the adverse impact, taking into account the circumstances of the specific case.

Amendment 364
Angelika Winzig, Alexander Bernhuber
Proposal for a directive
Article 3 – paragraph 1 – point q

Text proposed by the Commission

(q) ‘appropriate measure’ means a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and of the specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action.

Amendment

(q) ‘appropriate measure’ means a measure that is capable of achieving the objectives of risk-based due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and of the specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action.

Or. en

Justification

A risk-based approach must be taken throughout the text.

Amendment 365
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point q a (new)

Text proposed by the Commission

(qa) ‘parent company’ means a company which controls one or more subsidiaries within the meaning of point (d);

Amendment

(qa) ‘parent company’ means a company which controls one or more subsidiaries within the meaning of point (d);

Or. en

Justification

The definitions of the various entities must be as accurate as possible.
Amendment 366
Alexandr Vondra

Proposal for a directive
Article 3 – paragraph 1 – point q a (new)

Text proposed by the Commission

(qa) ‘parent company’ means a company which controls one or more subsidiaries within the meaning of point (d);

Amendment

Or. en

Amendment 367
Alexandr Vondra

Proposal for a directive
Article 3 – paragraph 1 – point q b (new)

Text proposed by the Commission

(qb) ‘group of companies’ means a parent company and all its subsidiaries;

Amendment

Or. en

Amendment 368
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 3 – paragraph 1 – point q b (new)

Text proposed by the Commission

(qb) ‘group of companies’ means a parent company and all its subsidiaries;

Amendment

Or. en

Justification

the definitions of the various entities must be as accurate as possible.
Amendment 369
Mick Wallace, Clare Daly

Proposal for a directive
Article 3 – paragraph 1 a (new)

Text proposed by the Commission

‘targets based on science’ means sustainability targets based on science that are capable of urgently responding to scientific analysis and recommendations, and can ensure effective action;

Amendment

Or. en

Amendment 370
Maria Arena

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

Text proposed by the Commission

1. Member States shall ensure that companies conduct human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:

Amendment

1. Member States shall ensure that companies shall respect human rights, the environment and climate by obliging them to conduct human rights, environmental and climate due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:

Or. en

Amendment 371
Marie Toussaint

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

Text proposed by the Commission

1. Member States shall ensure that

Amendment

1. Member States shall ensure that

Or. en
companies conduct human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:

companies shall respect human rights, the environment and climate by obliging them to conduct human rights, environmental and climate due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:

Amendment 372
Antoni Comín i Oliveres

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

Text proposed by the Commission

1. Member States shall ensure that companies conduct human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:

Amendment

1. Member States shall ensure that companies conduct human rights, labour rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:

Amendment 373
Pernille Weiss

Proposal for a directive
Article 4 – paragraph 1 – point a

Text proposed by the Commission

(a) integrating due diligence into their policies in accordance with Article 5;

Amendment

(a) embed the company’s commitment to due diligence into policies and management systems in accordance with Article 5;

Justification

The text in litra a) is unclear and should be aligned with international guidelines such as the OECD Guidelines for Multinational Enterprises.
Amendment 374
Hermann Tertsch

Proposal for a directive
Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) identifying actual or potential adverse impacts in accordance with Article 6;

Amendment

(b) identifying actual adverse impacts in accordance with Article 6;

Or. en

Amendment 375
Hermann Tertsch

Proposal for a directive
Article 4 – paragraph 1 – point c

Text proposed by the Commission

(c) preventing and mitigating potential adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;

Amendment

(c) preventing and mitigating adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;

Or. en

Amendment 376
Marie Toussaint

Proposal for a directive
Article 4 – paragraph 1 – point f a (new)

Text proposed by the Commission

(fa) engaging with stakeholders in a meaningful way, in accordance with article 9a.

Amendment

(fa) engaging with stakeholders in a meaningful way, in accordance with article 9a.

Or. en
Amendment 377  
Pernille Weiss  

Proposal for a directive  
Article 4 – paragraph 2  

Text proposed by the Commission  

2. Member States shall ensure that, for the purposes of due diligence, companies are entitled to share resources and information within their respective groups of companies and with other legal entities in compliance with applicable competition law.

Amendment 2. Member States shall ensure that, for the purposes of due diligence, companies are entitled to share resources and information within their respective groups of companies and with other legal entities in compliance with applicable competition law. Companies within scope of this directive that are part of a group, including subsidies and parent companies, may also commit to take on the responsibilities of other group members pursuant to the obligations set out in this directive, under the obligation to deliver at least an equal commitment to due diligence. These other group member shall then be relieved from their responsibilities in this regard.

Or. en

Justification

A clear and flexible group rule is needed, clarifying and expanding the possibilities for meeting due diligence obligations within a group in cases where several of the groups’ companies fall within the scope of the Directive. It would be inefficient to require all members of the group to have their own due diligence set-up in situations where a group solution provides the same or higher quality due diligence with less total costs.

Amendment 378  
Alexandr Vondra  

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

Text proposed by the Commission  

2a. Member States shall ensure that a
company or other legal entity shall not be obliged to disclose to its business partner which is complying with the obligations resulting from this Directive, information that is deemed to be a trade secret as defined in Article 2(1) of Directive (EU) 2016/943 of the European Parliament and of the Council.

Or. en

Amendment 379
Angelika Winzig, Alexander Bernhuber

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

Text proposed by the Commission  Amendment

2a. Member States shall ensure that a company or other legal entity shall not be obliged to disclose to its business partner which is complying with the obligations resulting from this Directive, information that is deemed to be a trade secret as defined in Article 2(1) of Directive (EU) 2016/943 of the European Parliament and of the Council.

Or. en

Justification

It must be made clear that under no circumstances are trade secrets to be disclosed.

Amendment 380
Alexandr Vondra

Proposal for a directive
Article 4 a (new)

Text proposed by the Commission  Amendment

Article 4a
Due diligence on a group level

1. Member States shall ensure that parent companies falling under the scope of this Directive may fulfil the obligations set out in Articles 5 to 11 and Article 15(1) and (2) on behalf of companies which are their subsidiaries falling under the scope of this Directive. This is without prejudice to civil liability of subsidiaries in accordance with Article 22.

2. The fulfilment of due diligence obligations by a parent company in accordance with the first paragraph is subject to all the following conditions:

(a) the subsidiary provides all the necessary information to and cooperates with its parent company to fulfil the obligations resulting from this Directive;

(b) the subsidiary must abide by its parent company's due diligence policy accordingly adapted to ensure that the obligations laid down in Article 5(1) are fulfilled with respect to the subsidiary;

(c) the subsidiary integrates due diligence into all its corporate policies in accordance with Article 5;

(d) where relevant, the subsidiary seeks the contractual assurances in accordance with Articles 7(2), point (b), or 8(3), point (c);

(e) where relevant, the subsidiary seeks to conclude a contract with an indirect business partner in accordance with Articles 7(3) or 8(4);

(f) where relevant, the subsidiary temporarily suspends or terminates the business relationship in accordance with Articles 7(5) or 8(6).

Or. en

Amendment 381
Angelika Winzig, Alexander Bernhuber
Proposal for a directive
Article 4a (new)

Text proposed by the Commission

Amendment

Article 4a

Due diligence on a group level

1. Member States shall ensure that parent companies falling under the scope of this Directive may fulfil the obligations set out in Articles 5 to 11 and Article 15(1) and (2) on behalf of companies which are their subsidiaries falling under the scope of this Directive.

Or. en

Justification

The aim is to ensure that companies which themselves qualify are enabled to collectively exercise the obligations of the Directive, and specifically Articles 5-10, through their Group. The aim of which is to significantly reduce the need for multiple policies, assessments, mitigations, and reporting. However, companies must only qualify in their own right, individually meeting the criteria.

Amendment 382
Marie Toussaint

Proposal for a directive
Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. Member States shall ensure that companies integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:

1. Member States shall ensure that companies integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall be developed in consultation with stakeholders and contain all of the following:

Or. en
Amendment 383
Alexandr Vondra

Proposal for a directive
Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States shall ensure that companies integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:

Amendment

1. Member States shall ensure that companies have in place a due diligence policy. The due diligence policy shall contain all of the following:

Or. en

Amendment 384
Hermann Tertsch

Proposal for a directive
Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States shall ensure that companies consider due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:

Amendment

1. Member States shall ensure that companies consider due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:

Or. en

Amendment 385
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States shall ensure that companies integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:

Amendment

1. Member States shall ensure that companies have in place a due diligence policy. The due diligence policy shall be proportionate and risk-based and shall contain all of the following:
Justification

Clarification and simplification of the text. A risk-based approach must be taken throughout the text.

**Amendment 386**  
**Marie Toussaint**

**Proposal for a directive**  
**Article 5 – paragraph 1 – point a**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) a description of the company’s approach, including in the long term, <strong>to due diligence</strong>;</td>
<td>(a) a description of the company’s approach <strong>to due diligence</strong>, including in the <strong>short, medium and long term, and covering all their operations, products and services</strong>;</td>
</tr>
</tbody>
</table>

**Amendment 387**  
**Marie Toussaint**

**Proposal for a directive**  
**Article 5 – paragraph 1 – point b**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) a code of conduct describing rules and principles to be followed by the company’s employees and subsidiaries;</td>
<td>(b) a code of conduct describing rules and principles to be followed by the company’s employees and subsidiaries across all corporate functions and operations;</td>
</tr>
</tbody>
</table>

**Amendment 388**  
**Antoni Comín i Oliveres**
Proposal for a directive
Article 5 – paragraph 1 – point b

Text proposed by the Commission
(b) a code of conduct describing rules and principles to be followed by the company’s employees and subsidiaries;

Amendment
(b) a code of conduct describing rules and principles to be followed by the company’s employees, with a special emphasis on directors, and subsidiaries;

Or. en

Amendment 389
Sirpa Pietikäinen

Proposal for a directive
Article 5 – paragraph 1 – point b a (new)

Text proposed by the Commission
(ba) a demand for adequate ecological competence to be represented in board governance;

Amendment
(c) a description of the processes and concrete measures put in place to implement due diligence across the value chain, including the measures taken to verify compliance with the code of conduct and to extend its application to business relationships.

Or. en

Amendment 390
Marie Toussaint

Proposal for a directive
Article 5 – paragraph 1 – point c

Text proposed by the Commission
(c) a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships.

Amendment
(c) a description of the processes and concrete measures put in place to implement due diligence across the value chain, including the measures taken to verify compliance with the code of conduct and to extend its application to business relationships.

Or. en
Amendment 391
Marie Toussaint
Proposal for a directive
Article 5 – paragraph 1 a (new)

Text proposed by the Commission

1a. For companies operating in one of the sectors referred to in Article 3 point (ca), the description of the company’s approach, the code of conducts and description of the processes and measures required under paragraph 1 (a) to (c) shall also include a detailed focus on the risks that are specific to that sector.

Amendment

Or. en

Amendment 392
Marie Toussaint
Proposal for a directive
Article 5 – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that the companies update their due diligence policy annually.

Amendment

2. Member States shall ensure that the companies review, update and publish their due diligence policy at least every 12 months and whenever needed, in particular when there are reasonable grounds to believe that new risks of the occurrence of adverse impacts have arised or may arise.

Or. en

Amendment 393
Angelika Winzig, Alexander Bernhuber
Proposal for a directive
Article 5 – paragraph 2
2. Member States shall ensure that the companies update their due diligence policy "annually."

Amendment
2. Member States shall ensure that the companies update their due diligence policy "regularly when a significant change occurs."

Or. en

Justification
Companies should be required to update their due diligence policy in line with updating wider policies and driven by the level of risk analysed.

Amendment 394
Pernille Weiss

Proposal for a directive
Article 5 – paragraph 2

Text proposed by the Commission
2. Member States shall ensure that the companies update their due diligence policy annually.

Amendment
2. Member States shall ensure that the companies review and, if needed, update their due diligence policy annually.

Or. en

Amendment 395
Alexandr Vondra

Proposal for a directive
Article 5 – paragraph 2

Text proposed by the Commission
2. Member States shall ensure that the companies update their due diligence policy "annually."

Amendment
2. Member States shall ensure that the companies update their due diligence policy "bi-annually."

Or. en
Amendment 396  
Alexandr Vondra

Proposal for a directive
Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall lay down rules to ensure that administrative, management or supervisory bodies of the companies referred to in Article 2(1) put in place and oversee the due diligence actions referred to in Article 4 and in particular the due diligence policy referred to in this Article, with due consideration for relevant input from stakeholders.

Or. en

Amendment 397  
Marie Toussaint

Proposal for a directive
Article 6 – title

Text proposed by the Commission

Amendment

Identifying actual and potential adverse impacts

Identifying and assessing actual and potential adverse impacts

Or. en

Amendment 398  
Marie Toussaint

Proposal for a directive
Article 6 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human

1. Member States shall ensure that companies take appropriate measures to identify and assess actual and potential human
rights *impacts and adverse* environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, *from their established* business relationships, in accordance with paragraph 2, 3 and 4.

adverse human rights *as well as* environmental and *climate adverse* impacts arising from their own operations, *products and services* or those of their subsidiaries and *those* related to their value chains. *These measures shall also include the assessment of the impact of policies and strategies regarding* business relationships, *including trading, procurement and pricing practices.*

**Amendment 399**

Maria Arena

**Proposal for a directive**

**Article 6 – paragraph 1**

*Text proposed by the Commission*

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and *adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.*

**Amendment**

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts, *as well as* adverse environmental and *climate adverse* impacts arising from their own operations, *products and services* or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

**Amendment 400**

Angelika Winzig, Alexander Bernhuber

**Proposal for a directive**

**Article 6 – paragraph 1**

*Text proposed by the Commission*

1. Member States shall ensure that companies take appropriate measures to

**Amendment**

1. Member States shall ensure that companies take appropriate measures to
identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

identify, by means of a risk-based monitoring methodology, actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their supply chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

**Justification**

A risk-based approach must be taken throughout the text. Value chain needs to be replaced by supply chain in the entire text.

**Amendment 401**

Jan Huitema

Proposal for a directive

Article 6 – paragraph 1

**Text proposed by the Commission**

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

**Amendment**

1. Member States shall ensure that companies take appropriate measures to identify and assess actual and potential adverse human rights and environmental impacts arising from their direct suppliers, in accordance with paragraph 2, 3 and 4. Where it is not feasible to identify and assess all adverse impacts simultaneously, companies shall prioritise in accordance with paragraph 2 and Article 6a.

**Amendment 402**

Günther Sidl

Proposal for a directive

Article 6 – paragraph 1
Text proposed by the Commission

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

Amendment

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts, adverse animal welfare impact and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

Or. en

Amendment 403
Pascal Canfin, Max Orville, Nicolae Ștefănuță, Frédérique Ries, Michal Wiezik, Martin Hojsík

Proposal for a directive
Article 6 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

Amendment

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and actual and potential adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.

Or. en

Amendment 404
Antoni Comín i Oliveres

Proposal for a directive
Article 6 – paragraph 1
Text proposed by the Commission

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their *established* business relationships, in accordance with paragraph 2, 3 and 4.

Amendment

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts, adverse *labour* rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their business relationships, in accordance with paragraph 2, 3 and 4.

Or. en

Amendment 405
Alexandr Vondra

Proposal for a directive
Article 6 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their *established* business relationships, in accordance with paragraph 2, 3 and 4.

Amendment

1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their business relationships, in accordance with paragraph 2, 3 and 4.

Or. en

Amendment 406
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

1a. For the purpose of fulfilling the
obligation in paragraph 1, companies may map all areas of their own operations, those of their subsidiaries and, where related to their supply chains, those of their established business partners. Based on the results of that mapping, companies may carry out an in-depth assessment of the areas where adverse human rights impacts and adverse environmental impacts were identified to be most likely present or most significant.

Justification

The ability to set priorities is a key component of a risk-based approach.

Amendment 407
Alexandr Vondra

Proposal for a directive
Article 6 – paragraph 1 a (new)

Text proposed by the Commission

1a. For the purpose of fulfilling the obligation in paragraph 1, companies may map all areas of their own operations, those of their subsidiaries and, where related to their value chains, those of their established business partners. Based on the results of that mapping, companies may carry out an in-depth assessment of the areas where adverse impacts were identified to be most likely present or most significant.

Amendment 408
Marie Toussaint

Proposal for a directive
Article 6 – paragraph 1 a (new)
1a. **Member States shall ensure that in particular for companies operating in one of the sectors referred to in Article 3 point (ca), appropriate measures shall also target the risks that are specific to that sector.**

Amendment 409
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 6 – paragraph 2

2. **By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), shall only be required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).**

Amendment 410
Antoni Comín i Oliveres

Proposal for a directive
Article 6 – paragraph 2

2. **By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2),**
point (b), shall only be required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).

Amendment 411
Stanislav Polčák
Proposal for a directive
Article 6 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), shall only be required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).

Amendment

2. Member States shall ensure that, for the purpose of compliance with paragraph 1, companies shall take appropriate measures to:

(a) carry out a broad scoping exercise of the company's operations, subsidiaries and direct suppliers in order to identify areas where the risk of severe adverse
impacts is most likely to occur including mapping and prioritising individual higher risk operations, taking into account relevant risk factors; and

(b) carry out in-depth assessments of prioritised operations, subsidiaries and direct suppliers in order to determine the nature and extent of specific actual and potential adverse impacts.

Amendment 413
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The risk-based monitoring methodology referred to in paragraph 1 shall take into account the likelihood, severity and urgency of adverse human rights impacts and environmental impacts as well as the nature and context of the operations of the company, including geographic considerations, the extent and type of the risks relating to such potential or adverse impacts and their scale.

Justification

The risk-based approach is explained in more detail here

Amendment 414
Marie Toussaint

Proposal for a directive
Article 6 – paragraph 2 a (new)
2a. Member States shall ensure that companies map their value chains and publicly disclose relevant information including names, locations, types of operations, products and services supplied, as well as other relevant information concerning subsidiaries, branches and business relationships.

Amendment 415
Antoni Comín i Oliveres
Proposition for a directive
Article 6 – paragraph 3

Amendment 416
Mick Wallace, Clare Daly
Proposition for a directive
Article 6 – paragraph 3

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.
impacts shall be carried out only before providing that service.

Amendment 417
Stanislav Polčák

Proposal for a directive
Article 6 – paragraph 3

Text proposed by the Commission

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out \textit{only} before providing that service.

Amendment

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out \textit{both} before providing that service, \textit{and repeatedly during the provision of the service, depending on the nature of the service, but at least once every 12 calendar months}. 

Or. cs

Amendment 418
Alexandr Vondra

Proposal for a directive
Article 6 – paragraph 3

Text proposed by the Commission

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.

Amendment

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.

Or. en
Amendment 419
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 6 – paragraph 3

*Text proposed by the Commission*

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of *actual and potential* adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.

*Amendment*

3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.

Or. en

Amendment 420
Hermann Tertsch

Proposal for a directive
Article 6 – paragraph 4

*Text proposed by the Commission*

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

*Amendment*

deleted

Or. en
Amendment 421
Angelika Winzig, Alexander Bernhuber

Proposal for a directive
Article 6 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

Amendment

4. Member States shall ensure that appropriate resources, for the purposes of identifying the adverse impacts referred to in paragraph 1, are made available to companies in order to enable compliance with the Directive. Member States may work with the Commission to prepare appropriate resources such as lists that officially assess risk (Black-/Whitelists), helpdesks etc. Companies shall be entitled to make use of independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

Justification

In order to support companies in fulfilling their obligations under this Directive Member States and the Commission should provide guidance, analysis of risk and identify particular activities, locations, entities or services which present a risk of adverse impact. Member States and the Commission must be willing to make assessments of the risk of adverse impacts they expect companies to assess. Much of the analysis has the potential to be politically sensitive and it is not appropriate to require companies to make judgements on the legislative regimes of third countries nor pass judgement on the legality of practices in foreign jurisdictions.

Amendment 422
Marie Toussaint

Proposal for a directive
Article 6 – paragraph 4
4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

Amendment

4. Member States shall ensure that, for the purposes of identifying and assessing the adverse impacts referred to in paragraph 1 based on, quantitative and qualitative information, including disaggregated data, companies are entitled to make use of appropriate resources, including independent and science-based reports and information gathered through the complaints procedure provided for in Article 9. Companies shall also carry out consultations with potentially affected groups including workers and other relevant stakeholders including trade unions and non-governmental organisations to gather information on as well as to identify and assess actual or potential adverse impacts.

Or. en

Amendment 423
Peter Liese, Radan Kanev, Pernille Weiss, Axel Voss, Hildegard Bentele

Proposal for a directive
Article 6 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

Amendment

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information made available by the Member States, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the notification procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.
adverse impacts.

Amendment 424
Pascal Canfin, Max Orville, Nicolae Ștefănuță, Frédérique Ries, Michal Wiezik, Martin Hojsík

Proposal for a directive
Article 6 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

Amendment

4. Member States shall ensure that, for the purposes of identifying the actual and potential adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

Or. en

Amendment 425
Linea Søgaard-Lidell, Jan Huitema, Emma Wiesner, Andreas Glück, Asger Christensen

Proposal for a directive
Article 6 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate

Amendment

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate
resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.

**Justification**

The right to be consulted should be retained for those who are in risk of adverse impacts. Those would be the employees in the supply chain as well as people somehow linked to the production through e.g. living in the proximity of the production. This amendment serves to ensure that those who risk being affected are consulted and not irrelevant stakeholders. Which would otherwise place unnecessary burden on companies. This would keep companies focused on the more relevant consultations.

**Amendment 426**

Jan Huitema, Andreas Glück, Emma Wiesner

**Proposal for a directive**

**Article 6 – paragraph 4 a (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>4a. Member states shall ensure that companies take appropriate measures to:</td>
<td></td>
</tr>
<tr>
<td>(a) keep risk assessments up-to-date and reassess impacts at yearly, as appropriate, including prior to major decisions or significant changes in the company's relevant activities, business practices, in response to or in anticipation of significant changes in the operating environment and in response to complaints submitted to the company or its subsidiaries under Article 9.</td>
<td></td>
</tr>
<tr>
<td>(b) document and make available to relevant supervisory authorities, onto their reasoned request, such risk assessments.</td>
<td></td>
</tr>
</tbody>
</table>
Amendment 427
Jan Huitema, Andreas Glück, Emma Wiesner

Proposal for a directive
Article 6 a (new)

Text proposed by the Commission

Amendment

Article 6a

Prioritisation of identified actual and potential impacts

1. Member States shall ensure that companies are allowed to prioritise potential or actual adverse human rights and environmental impacts connected to their own operations or the operations of their subsidiaries and their direct suppliers, pursuant to Article 6, for fulfilling the obligations laid down in Articles 7 or 8.

2. The prioritisation of adverse impacts shall be based on the severity and likelihood of adverse impacts. The severity of an adverse impact shall be determined based on its gravity, the number of individuals that are or will be affected, or the extent of the environment that is or may be damaged or otherwise affected, its irreversibility and any limits on the ability to restore affected individual circumstances or the environment to the situation prior to the adverse impact.

3. The company's degree of influence over the subsidiaries or direct suppliers is not relevant to its prioritisation decisions under this Directive.

4. Once the most significant adverse impacts are addressed in accordance with Articles 7 or 8 in a reasonable time, the company shall be required to address all other adverse impacts.
Amendment 428  
Angelika Winzig, Alexander Bernhuber

Proposal for a directive  
Article 6 a (new)

Text proposed by the Commission

Amendment

Article 6a

Prioritisation of identified adverse impacts

1. Member States shall ensure that companies are allowed to prioritise adverse human rights impacts and adverse environmental impacts arising from their own operations, those of their subsidiaries or those of their established business partners identified pursuant to Article 6 for fulfilling the obligations laid down in Articles 7 or 8, where it is not feasible to address all identified adverse impacts at the same time to the full extent;

2. The prioritisation of adverse impacts shall be based on severity and likelihood of the adverse impact. Severity of an adverse impact shall be assessed based on its gravity, level of severity, likelihood and urgency, the number of persons or the extent of the environment affected, its irreversibility, and difficulty to provide remedy considering the measures necessary to restore the situation prevailing prior to the impact;

3. Once the most significant adverse impacts are addressed in accordance with Articles 7 or 8 in a reasonable time, the company shall address less significant adverse impacts;

Or. en

Justification

Companies shall establish a prioritisation strategy in the event that they are not in a position to prevent or mitigate all identified adverse impacts or potential adverse impacts

PE737.344v01-00 218/219 AM\1265194EN.docx
simultaneously. Once the most significant impacts have been identified and dealt with, the company shall address less significant impacts. Companies may in that prioritisation strategy consider the level of severity, likelihood and urgency of the different adverse impacts on human rights and the environment, the nature and context of the operations of the company, including geographic considerations, the extent and type of the risks including any new or emerging risks, their scale and how irremediable they might be, and if necessary, use the prioritisation policy to address them. When prioritising their response to risks to human rights, companies shall treat the severity of an adverse impact, such as where a delayed response would make the impact irremediable, as the predominant factor.