COMPROMISE AMENDMENTS
1 - 108

Draft opinion
Deirdre Clune
(PE736.656v01-00)CA 1A (Articles 1-3)
CA 2 (Articles 4-10)
CA 3 (Articles 11-29)
CA 4A (Recitals 1-71a)

Corporate Sustainability Due Diligence and amending Directive (EU)
2019/1937

Proposal for a directive
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))
Amendment 1
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapporteur 15, ECR 43, Greens 44, S&D 45, 47

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 their 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. Due diligence obligations provided for under this Directive should be underpinned by a risk-based approach which takes into account the severity, likelihood and urgency of potential and actual adverse impacts.
Amendment 2
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
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 deleted
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 3
Deirdre Clune

Compromise Amendment replacing Amendment(s): The Left 58, Greens 59, S&D 60
Proposal for a directive
Recital 20
(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.

Or. en

Amendment 4
Deirdre Clune

Compromise Amendment replacing Amendment(s): S&D 78
Proposal for a directive
Recital 27

(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 5
Deirdre Clune

Compromise Amendment replacing Amendment(s): ECR 81
Proposal for a directive
Recital 27 a (new)

Text proposed by the Commission

(27 a) This Directive is aimed at creating a level playing field and is intended to put an end to fragmentation in the internal market. It is crucial to the effectiveness of this Directive that uniform rules apply to businesses in the internal market. Therefore, Member States should not maintain or introduce, in their national law, provisions diverging from those laid down in this Directive.

Amendment 6
Deirdre Clune

Compromise Amendment replacing Amendment(s): ECR 83
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 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

(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 proportionate measure that is capable of achieving the objectives of risk-based due diligence and is reasonably available to the company, commensurate with the degree of severity and the likelihood of the adverse impact and the level of the company’s involvement in the potential adverse impacts, 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 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 7
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapporteur 2, Renew 86
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 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

(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 accordance with a risk-based approach. 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, 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.
circumstances.

Amendment 8
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Recital 30 a (new)

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<td>(30 a) The risk-based approach for due diligence should allow for a risk-based identification methodology that enables companies to take a proportionate approach to the identification of actual and potential adverse human rights and environmental impacts that takes into account the likelihood, severity and urgency of potential or actual 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.</td>
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Amendment 9
Deirdre Clune

Compromise Amendment replacing Amendment(s): S&D 91
Proposal for a directive
Recital 32

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<td>(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</td>
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the interests of those adversely impacted. In order to enable continuous 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.

Companies should engage in a timely manner, efficiently and meaningfully with stakeholders impacted by the decision to suspend or terminate the adverse impacts before reaching that decision, and shall assess any potential adverse impacts that may arise from those actions.

Or. en

Amendment 10
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 92, ECR 93, S&D 94
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

Amendment

(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 or other assurances from a direct partner with whom they have a business relationship that it will ensure compliance with the code of conduct or the prevention action plan. The contractual
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.

assurances should be reasonable, non-discriminatory and 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 a 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 11
Deirdre Clune
Compromise Amendment replacing Amendment(s): ECR 97
Proposal for a directive
Recital 35

Text proposed by the Commission

(35) In order to reflect the full range of options for the company in cases where potential impacts could not be addressed by the described prevention or minimisation measures, this Directive should also refer to the possibility for the company to seek to conclude a contract with the indirect business partner, with a view to achieving compliance with the company’s code of conduct or a prevention action plan, and conduct appropriate measures to verify compliance of the indirect business

Amendment
relationship with the contract.

Amendment 12
Deirdre Clune

Compromise Amendment replacing Amendment(s): ECR 102, 104, Greens 501
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 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.

Amendment

(37) As regards 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 dissemination of information on such schemes or initiatives and their outcomes. The Commission, in collaboration with Member States and relevant stakeholders, should issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives. In addition, the Commission should develop a system for formally recognising industry schemes and multi-stakeholder initiatives. Compliance with recognised industry schemes and multi-stakeholder initiatives shall contribute to ensuring compliance with the due diligence requirements.
imposed by this Directive. Reliance on industry schemes and multi-stakeholder initiatives shall not absolve the company of its individual responsibility and obligations to perform due diligence in accordance with this Directive.

Amendment 13
Deirdre Clune

Compromise Amendment replacing Amendment(s): ECR 107, S&D 109
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 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

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 it to the greatest extent possible, 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. The contractual assurances should be accompanied by the appropriate measures to verify compliance. Finally, companies should also make investments aiming at
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.

(40) In order to reflect the full range of options for the company in cases where actual impacts could not be addressed by the described measures, this Directive should also refer to the possibility for the company to seek to conclude a contract with the indirect business partner, with a view to achieving compliance with the company’s code of conduct or a corrective action plan, and conduct appropriate measures to verify compliance of the indirect business relationship with the contract.

Amendment 15
Deirdre Clune
Compromise Amendment replacing Amendment(s): ECR 114, S&D 115
Proposal for a directive
Recital 42
(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. 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.

(42) Companies should provide the possibility for persons, who are directly affected or have reasonable grounds to believe that they will be directly affected by an adverse impact, 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. Companies should establish a procedure for dealing with those complaints and inform relevant stakeholders, including 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.
(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.

(43) Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments, in consultation with relevant stakeholders, 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 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 17
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 124

Proposal for a directive

Recital 44

(44) 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.

(44) 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.
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 and sufficiently detailed to demonstrate the compliance of a company’s due diligence process with this Directive. The Commission should also provide for simplified reporting and identify which companies can avail of such a simplified reporting process.

Amendment 18
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Recital 44 a (new)

Text proposed by the Commission

(44 a) Member States should ensure that companies effectively, safely and meaningfully engage with relevant stakeholders when fulfilling their due diligence obligations under this Directive.

Or. en
Such engagement should be proportionate to a company’s capability to carry out such engagement. Such engagement should be interactive, gender-sensitive, responsive and adapted to vulnerable stakeholders, where relevant, and should be taken prior to decisions being taken and on a regular basis. Such engagement should be carried out in a timely, accessible and transparent manner.

Amendment 19
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapporteur 5, ECR 130, S&D 485, Greens 486
Proposal for a directive
Recital 46

Text proposed by the Commission

(46) In order to provide support and practical tools to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, using relevant international guidelines and standards as a reference, and in consultation with Member States and stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, and where appropriate with international bodies having expertise in due diligence, should have the possibility to issue guidelines, including for specific sectors or specific adverse impacts.

Amendment

(46) In order to provide support and practical tools to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, using relevant international guidelines and standards as a reference, and in consultation with Member States and stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, and where appropriate with international bodies having expertise in due diligence, should issue guidelines, including for specific sectors or specific adverse impacts, in particular taking into account the needs of SMEs, and should enable financial and administrative assistance. Where relevant, the guidelines shall cover issues related to responsible purchasing; implementation of due diligence in conflict-affected areas, occupation situations, and non-self-governing territories; and responsible disengagement.
Amendment 20
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapporteur 6, ECR 132, Greens 133
Proposal for a directive
Recital 47

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

Amendment

(47) Although SMEs are not included in the scope of this Directive, 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. 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 fair, reasonable, non-discriminatory and proportionate requirements vis-a-vis the SMEs. Each Member State should ensure that one specific portal which acts as a single point of contact, particularly for the benefit of small and medium-sized undertakings, is established in order to provide companies with guidance and relevant information about how to comply with due diligence obligations arising from this Directive.
Compromise Amendment replacing Amendment(s): Greens 158
Proposal for a directive
Recital 65

Text proposed by the Commission

(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 should therefore apply to the reporting of all breaches of this Directive and to the protection of persons reporting such breaches.

Amendment

(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 should therefore apply to the reporting of all breaches of this Directive and to the protection of persons reporting such breaches. **Member States should ensure that complaints can be submitted in an anonymous and confidential way and that any information published in relation to complaints should be done so in a manner that does not endanger stakeholders’ safety, including by not disclosing their identity.**


Amendment 22
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Recital 71 a (new)
Text proposed by the Commission

(71 a) The Commission should assess and report whether this Directive should be added to the list of provisions of Union law covered by Annex I of Directive (EU) 2020/1828 of the European Parliament and of the Council, in order to allow consumers to bring representative actions against infringements of the national provisions adopted pursuant to this Directive.

Amendment

Amendment 23
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 162, The Left 163, ECR 164, S&D 165, Renew 166
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

Amendment 24
Deirdre Clune

Compromise Amendment replacing Amendment(s): 171 The Left, 172 Greens
Proposal for a directive
Article 1 – paragraph 1 – subparagraph 2

(a) on obligations for companies regarding actual and potential human rights adverse impacts as well as actual and potential 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

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

Amendment 25
Deirdre Clune

Compromise Amendment replacing Amendment(s): 7 Rapporteur, 176 Renew, 265 ECR
Proposal for a directive
Article 1 – paragraph 2 a (new)

Text proposed by the Commission

2 a. Member States shall not lay down, in their national laws, provisions diverging from those laid down in this Directive, except for Articles 22 and 25.

Amendment 26
Deirdre Clune

Compromise Amendment replacing Amendment(s): 219 S&D, 220 The Left, 221 Greens
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;

Or. en
**Amendment 27**
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapp 14, 232 ECR

Proposal for a directive

Article 3 – paragraph 1 – point g a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(g a) ‘risk-based approach’ means a process which permits companies to manage their due diligence activities based on an analysis of relevant activities, taking account the likelihood, severity and urgency of potential or actual adverse human rights impacts and environmental impacts as well as the nature and context of the operations of the company, including geographic considerations, the characteristics of the economic sector and the extent and type of the risks relating to such potential or adverse impacts and their scale;</td>
<td></td>
</tr>
</tbody>
</table>

Or. en

**Amendment 28**
Deirdre Clune

Compromise Amendment replacing Amendment(s): 8 rapporteur, 236 ECR, 237 Renew

Proposal for a directive

Article 3 – paragraph 1 – point h

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(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;</td>
<td></td>
</tr>
</tbody>
</table>

(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 the requisite experience and competence, including in environmental and human rights matters and is accountable for the quality and reliability
of the audit;

Amendment 29
Deirdre Clune

Compromise Amendment replacing Amendment(s): 9 rapporteur, 243 Greens, 245 ECR, 248 S&D, 250 Greens, 251 Greens, 252 S&D
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, entities, civil society organisations, trade unions, workers representatives or organisations promoting, protecting and defending, human rights and the environment, whose rights or interests are or could be 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;

Or. en

Amendment 30
Deirdre Clune

Compromise Amendment replacing Amendment(s): 9 rapporteur, 261 ECR, 262 Greens
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

Amendment

(q) ‘appropriate measure’ means a proportionate measure that is capable of achieving the objectives of risk-based due diligence and is reasonably available to the company and effectively aims to
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.

address the adverse impact, commensurate with the degree of severity, the nature, urgency and the likelihood of the adverse impact and the level of the company’s involvement in the potential adverse impacts, 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

Amendment 31
Deirdre Clune
Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Article 3 – paragraph 1 – point q a (new)

Text proposed by the Commission

Amendment

(q a) ‘force majeure’ is an abnormal and unforeseeable event that lies outside the control of and cannot be avoided in spite of the exercise of all due care.

Or. en

Amendment 32
Deirdre Clune
Compromise Amendment replacing Amendment(s): CAM 2 - The Left 269, 270 S&D
Proposal for a directive
Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(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;

(c) preventing potential adverse impacts with reasonable best efforts, mitigating and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;
Amendment 33
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM 2 - 274 S&D
Proposal for a directive
Article 4 – paragraph 1 – point e

Text proposed by the Commission
(e) monitoring the effectiveness of their due diligence policy and measures in accordance with Article 10;

Amendment
(e) monitoring **and assessing** the effectiveness of their due diligence policy and measures in accordance with Article 10;

Or. en

Amendment 34
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM 2 - 275 S&D
Proposal for a directive
Article 4 – paragraph 1 – point f

Text proposed by the Commission
(f) publicly communicating on due diligence in accordance with Article 11.

Amendment
(f) **disclosing relevant information** and publicly communicating on due diligence in accordance with Article 11.

Or. en

Amendment 35
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM 2 - ECR 278
Proposal for a directive
Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. **Member States shall ensure that companies conduct due diligence as laid**
down in Articles 5 to 11 on the basis of a risk-based approach.

**Amendment 36**  
**Deirdre Clune**

Compromise Amendment replacing Amendment(s): CAM 2 - 11 rapporteur, 282 ECR

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

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>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:</td>
<td>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 <strong>be proportionate and risk-based and shall</strong> contain all of the following:</td>
</tr>
</tbody>
</table>

**Amendment 37**  
**Deirdre Clune**

Compromise Amendment replacing Amendment(s): CAM 2 - 283 S&D, 284 The Left, 285 Greens

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, to due diligence;</td>
<td>(a) a description of the company’s approach, including in the <strong>short, medium and</strong> long term, to due diligence;</td>
</tr>
</tbody>
</table>

**Amendment 38**  
**Deirdre Clune**

Amendment
Compromise Amendment replacing Amendment(s): CAM 2 - 286 The Left, 288 Greens

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

Text proposed by the Commission  Amendment

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

(b) a code of conduct describing rules and principles to be followed by the company’s employees and subsidiaries across its own operations;

Or. en

Amendment 39
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM 2 - 289 S&D, 291

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

Text proposed by the Commission  Amendment

(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.

(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, which may include tools, methodology, objectives and timeline of such measures, and to extend its application to business relationships, in accordance with a risk-based approach.

Or. en

Amendment 40
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM 2

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

Text proposed by the Commission  Amendment

(c a) a description of the company’s approach to providing meaningful
engagement with stakeholders in accordance with Article 11a.

Amendment 41
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM 2 - 295 Greens, 296 S&D
Proposal for a directive
Article 5 – paragraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Member States shall ensure that the companies update their due diligence policy annually.</td>
<td>2. Member States shall ensure that the companies <strong>review and update</strong> their due diligence policy annually <strong>or when there are reasonable grounds to believe that significant new occurrences of adverse impacts have arisen.</strong></td>
</tr>
</tbody>
</table>

Amendment 42
Deirdre Clune

Compromise Amendment replacing Amendment(s): 12 rapporteur, 302 ECR, 303 Renew, 304 S&D, 305 Renew
Proposal for a directive
Article 6 – paragraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>1. Member States shall ensure that companies take appropriate measures to identify, <strong>in accordance with a risk-based approach</strong>, actual and potential adverse human rights impacts and <strong>actual and potential</strong> 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.</td>
</tr>
</tbody>
</table>
### Amendment 43
Deirdre Clune

Compromise Amendment replacing Amendment(s): 307 Renew, 308 S&D, 315 Greens

**Proposal for a directive**

**Article 6 – paragraph 1 a (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 a. For the purpose of fulfilling the obligation in paragraph 1, companies may map all areas of their own operations, those of their subsidiaries and those of their business partners and may disclose relevant information on the basis of this mapping. 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 to be present or most significant.</td>
<td></td>
</tr>
</tbody>
</table>

### Amendment 44
Deirdre Clune

Compromise Amendment replacing Amendment(s): 309 Greens

**Proposal for a directive**

**Article 6 – paragraph 1 b (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 b. Member States shall ensure that in particular for companies operating in one of the sectors referred to in Article 2(1)(b), appropriate measures shall also target the risks that are specific to that sector.</td>
<td></td>
</tr>
</tbody>
</table>
Amendment 45  
Deirdre Clune  
Compromise Amendment replacing Amendment(s): 13 rapporteur, 312 ECR  
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. 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 **take appropriate measures to** identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).

Or. en

Amendment 46  
Deirdre Clune  
Compromise Amendment replacing Amendment(s): 321 The Left, 323 S&D  
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, 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 **effective and meaningful** consultations with potentially affected groups including workers **and trade unions** and other relevant stakeholders to gather information on actual or potential adverse impacts.

Or. en
Amendment 47
Deirdre Clune

Compromise Amendment replacing Amendment(s): 23 Rapporteur
Proposal for a directive
Article 6 – paragraph 4 a (new)

Text proposed by the Commission

4 a. 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 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.

Or. en

Amendment 48
Deirdre Clune

Compromise Amendment replacing Amendment(s): 15 rapporteur, 325 S&D, 326 ECR, 327 Greens
Proposal for a directive
Article 7 – paragraph 1
Text proposed by the Commission

1. Member States shall ensure that companies take appropriate measures to prevent, or where prevention is not possible or not immediately possible, adequately mitigate potential adverse human rights impacts and adverse environmental impacts that have been, or should have been, identified pursuant to Article 6, in accordance with paragraphs 2, 3, 4 and 5 of this Article.

Amendment

1. Member States shall ensure that companies take appropriate, proportionate and risk-based measures to prevent, or where prevention is not possible or not immediately possible, adequately mitigate potential adverse human rights impacts and adverse environmental impacts, arising from own operations, subsidiaries and business relationships, that have been, or should have been, identified pursuant to Article 6, taking into account the level of companies’ involvement in the potential adverse impacts.

Or. en

Amendment 49
Deirdre Clune

Compromise Amendment replacing Amendment(s): 331 S&D, 333 Greens
Proposal for a directive
Article 7 – paragraph 2 – point a

Text proposed by the Commission

(a) where necessary due to the nature or complexity of the measures required for prevention, develop and implement a prevention action plan, with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. The prevention action plan shall be developed in consultation with affected stakeholders;

Amendment

(a) where necessary due to the nature or complexity of the measures required for prevention, develop and implement a prevention action plan, with reasonable and clearly defined timelines for action or appropriate measures and qualitative and quantitative indicators for measuring improvement. The prevention action plan shall be developed in consultation with affected stakeholders and may take account of independent reports and information gathered through the complaints mechanisms provided for in Article 9;

Or. en

Amendment 50

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Deirdre Clune

Compromise Amendment replacing Amendment(s): 16 Rapporteur, 336 ECR, 337 Greens, 339 Renew

Proposal for a directive
Article 7 – paragraph 2 – point b

Text proposed by the Commission

(b) seek contractual assurances from a business partner with whom it has a direct business relationship that it 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 (contractual cascading). When such contractual assurances are obtained, paragraph 4 shall apply;

Amendment

(b) seek contractual or other assurances from a business partner with whom it has a direct business relationship that it will ensure compliance with the company’s code of conduct and, as necessary, a prevention action plan. When such contractual assurances are obtained, paragraph 4 shall apply;

Or. en

Amendment 51
Deirdre Clune

Compromise Amendment replacing Amendment(s): 340 S&D

Proposal for a directive
Article 7 – paragraph 2 – point c

Text proposed by the Commission

(c) make necessary investments, such as into management or production processes and infrastructures, to comply with paragraph 1;

Amendment

(c) make necessary investments, such as into management or production processes, capacity building, joint prevention and mitigation measures and infrastructures, to comply with paragraph 1;

Or. en

Amendment 52
Deirdre Clune
Compromise Amendment replacing Amendment(s): 341 S&D, 342 Greens
Proposal for a directive
Article 7 – paragraph 2 – point c a (new)

Text proposed by the Commission

(c a) update business strategies, where necessary, including adequate trading, procurement, purchasing and pricing practices, in order to prevent potential adverse impacts;

Amendment

Or. en

Amendment 53
Deirdre Clune

Compromise Amendment replacing Amendment(s): 17 rapporteur, 345 ECR, 347 S&D
Proposal for a directive
Article 7 – paragraph 2 – point d

Text proposed by the Commission

(d) provide targeted and proportionate support for an SME with which the company has an established business relationship, where compliance with the code of conduct or the prevention action plan would jeopardise the viability of the SME;

Amendment

(d) provide targeted and proportionate support for an SME, such as loans or financing, with which the company has a business relationship, to ensure compliance with the code of conduct or the prevention action plan;

Or. en

Amendment 54
Deirdre Clune

Compromise Amendment replacing Amendment(s): 353 ECR, 354 Greens, 355 S&D, 356
Proposal for a directive
Article 7 – paragraph 3

Text proposed by the Commission

3. As regards potential adverse impacts that could not be prevented or adequately mitigated by the measures in

Amendment

deleted

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paragraph 2, the company may seek to conclude a contract with a partner with whom it has an indirect relationship, with a view to achieving compliance with the company’s code of conduct or a prevention action plan. When such a contract is concluded, paragraph 4 shall apply.

Amendment 55
Deirdre Clune

Compromise Amendment replacing Amendment(s): 361 Greens, 363 S&D, 364 Renew, 365 ECR
Proposal for a directive
Article 7 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

As regards potential adverse impacts within the meaning of paragraph 1 that could not be prevented or adequately mitigated by the measures in paragraphs 2, 3 and 4, the company shall be required to refrain from entering into new or extending existing relations with the partner in connection with or in the value chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take the following actions:

Amendment

As regards potential adverse impacts within the meaning of paragraph 1 that could not be prevented or adequately mitigated by the measures in paragraphs 2, 3 and 4, because mitigation is not possible or acceptable, or there is no reasonable prospect of change, the company shall be required to refrain from entering into new or extending existing relations with the partner in connection with or in the value chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take the following actions:

Amendment 56
Deirdre Clune

Compromise Amendment replacing Amendment(s): 366 S&D
Proposal for a directive
Article 7 – paragraph 5 – subparagraph 1 – point a
(a) temporarily suspend commercial relations with the partner in question, while pursuing prevention and *minimisation* efforts, if there is reasonable expectation that these efforts will succeed in the short-term;

(b) terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe.

*The company shall engage in a timely manner with stakeholders impacted by the decision to suspend or terminate the business relationship before taking such decision, and shall assess the consequences related to the suspension or termination of the relationship and any*
potential adverse impacts that may arise. Member States shall provide for the availability of an option to suspend or terminate the business relationship in contracts governed by their laws.

Companies shall disengage as a last resort only, particular account being taken of the fact that disengagement may exacerbate adverse impacts.

By way of derogation from the first sub paragraph, when a force majeure occurs that severely impacts a company’s value chain operations, the company shall not be required to suspend or terminate a business relationship or be prevented from entering new or extending existing business relationships for no longer than 6 months in order to fulfil its contractual obligations towards other trading partners.

Companies shall, without delay, take all reasonable measures to ensure the re-organisation of their value chains and find alternative means for the provision of the affected goods or services, in order to be able to comply with the first sub paragraph as quickly as possible.

Or. en

Amendment 59
Deirdre Clune

Compromise Amendment replacing Amendment(s): 19 Rapporteur, Greens 501
Proposal for a directive
Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7 a

Group level due diligence

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

2. A parent company shall only be able to fulfil obligations on behalf of subsidiaries in accordance with the first paragraph if all the following conditions are satisfied:

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

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

Group level due diligence as set out in this Article shall not absolve the subsidiary of its individual responsibility and obligations to perform due diligence in accordance with this Directive.

Or. en

Amendment 60
Deirdre Clune

Compromise Amendment replacing Amendment(s): 20 Rapporteur, ECR 378
Proposal for a directive
Article 8 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that companies take appropriate measures to bring actual adverse impacts that have been, or should have been, identified pursuant to Article 6 to an end, in accordance with paragraphs 2 to 6 of this Article.

Amendment

1. Member States shall ensure that companies take appropriate measures to bring actual adverse impacts that have been, or should have been, identified pursuant to Article 6 to an end, in accordance with paragraphs 2 to 6 of this Article, taking into account the level of companies’ involvement in the actual
adverse impacts.

Amendment 61
Deirdre Clune

Compromise Amendment replacing Amendment(s): 381 Greens, 382 S&D
Proposal for a directive
Article 8 – paragraph 2

Text proposed by the Commission
2. Where the adverse impact cannot be brought to an end, Member States shall ensure that companies minimise the extent of such an impact.

Amendment
2. Where the adverse impact cannot be brought to an end, Member States shall ensure that companies minimise the extent of such an impact, while continuing to pursue efforts to bring the adverse impact to an end.

Amendment 62
Deirdre Clune

Compromise Amendment replacing Amendment(s): 391 Greens, 393 S&D
Proposal for a directive
Article 8 – paragraph 3 – point b

Text proposed by the Commission
(b) where necessary due to the fact that the adverse impact cannot be immediately brought to an end, develop and implement a corrective action plan with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. Where relevant, the corrective action plan shall be developed in consultation with stakeholders;

Amendment
(b) where necessary due to the fact that the adverse impact cannot be immediately brought to an end, develop and implement a corrective action plan, which includes measures, with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. The action plan shall be proportionate to the significance and scale of the adverse impact and to the contribution of the company’s conduct to the adverse impact. Where relevant, the corrective action plan shall be developed in through meaningful consultation and
engagement with relevant stakeholders;

Amendment 63
Deirdre Clune
Compromise Amendment replacing Amendment(s): 21 Rapporteur, 396 Greens, 397, 398 Renew
Proposal for a directive
Article 8 – paragraph 3 – point c

Text proposed by the Commission
(c) seek contractual assurances from a direct partner with whom it has an established business relationship that it will ensure compliance with the code of conduct and, as necessary, a corrective action plan, including by seeking corresponding contractual assurances from its partners, to the extent that they are part of the value chain (contractual cascading). When such contractual assurances are obtained, paragraph 5 shall apply.

Amendment
(c) seek contractual or other assurances from a direct partner with whom it has an established business relationship that it will ensure compliance with the code of conduct and, as necessary, a corrective action plan. When such contractual assurances are obtained, paragraph 5 shall apply.

Or. en

Amendment 64
Deirdre Clune
Compromise Amendment replacing Amendment(s): 399 S&D
Proposal for a directive
Article 8 – paragraph 3 – point d

Text proposed by the Commission
(d) make necessary investments, such as into management or production processes and infrastructures to comply with paragraphs 1, 2 and 3;

Amendment
(d) make necessary investments, such as into management or production processes, capacity building, joint prevention and mitigation measures and infrastructures to comply with paragraphs 1, 2 and 3;

Or. en
Amendment 65
Deirdre Clune

Compromise Amendment replacing Amendment(s): 400 S&D, 401 Greens
Proposal for a directive
Article 8 – paragraph 3 – point d a (new)

Text proposed by the Commission

(d a) update business strategies, where necessary, including adequate trading, procurement, purchasing and pricing practices, in order to prevent potential adverse impacts;

Amendment

Or. en

Amendment 66
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Article 8 – paragraph 3 – point e

Text proposed by the Commission

(e) provide targeted and proportionate support for an SME with which the company has an established business relationship, where compliance with the code of conduct or the corrective action plan would jeopardise the viability of the SME;

Amendment

(e) provide targeted and proportionate support for an SME with which the company has an business relationship;

Or. en

Amendment 67
Deirdre Clune

Compromise Amendment replacing Amendment(s): 409 ECR, 410 S&D, 411
Proposal for a directive
Article 8 – paragraph 4

Text proposed by the Commission  
Amendment

4. As regards actual adverse impacts that could not be brought to an end or adequately mitigated by the measures in paragraph 3, the company may seek to conclude a contract with a partner with whom it has an indirect relationship, with a view to achieving compliance with the company’s code of conduct or a corrective action plan. When such a contract is concluded, paragraph 5 shall apply.

Or. en

Amendment 68
Deirdre Clune

Compromise Amendment replacing Amendment(s): 418 S&D Proposal for a directive
Article 8 – paragraph 6 – subparagraph 1 – point a

Text proposed by the Commission  
Amendment

(a) 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

mitigate the extent of the adverse impact, or

Or. en

Amendment 69
Deirdre Clune

Compromise Amendment replacing Amendment(s): 420 S&D Proposal for a directive
Article 8 – paragraph 6 – subparagraph 1 – point b

Text proposed by the Commission  
Amendment

(b) terminate the business relationship with respect to the activities concerned, if

b) terminate the business relationship with respect to the activities concerned, if
the adverse impact is considered severe. The adverse impact is considered severe or if the conditions for temporary suspension under point (a), such as mitigation, are not met.

Amendment 70
Deirdre Clune

Compromise Amendment replacing Amendment(s): 423 S&D, 424 ECR

Proposal for a directive
Article 8 – paragraph 6 – subparagraph 2

Text proposed by the Commission

Member States shall provide for the availability of an option to terminate the business relationship in contracts governed by their laws.

Amendment

The company shall engage in a timely manner with stakeholders impacted by the decision to suspend or terminate the business relationship before taking such decision, and shall assess the consequences related to the suspension or termination of the relationship and any potential adverse impacts that may arise.

Member States shall provide for the availability of an option to suspend or terminate the business relationship in contracts governed by their laws.

Companies shall disengage as a last resort only, particular account being taken of the fact that disengagement may exacerbate adverse impacts.

By way of derogation from the first subparagraph, when a force majeure occurs that severely impacts a company’s value chain operations, the company shall not be required to suspend or terminate a business relationship or be prevented from entering new or extending existing business relationships for no longer than 6 months in order to fulfil its contractual obligations towards other trading partners. Companies shall, without delay, take all reasonable measures to ensure the re-organisation of their value chains and find alternative means for the
provision of the affected goods or services, in order to be able to comply with the first sub paragraph as quickly as possible.

Or. en

Amendment 71
Deirdre Clune

Compromise Amendment replacing Amendment(s): 431 S&D, 432 Renew, 434
Proposal for a directive
Article 9 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that companies provide the possibility for persons and organisations listed in paragraph 2 to submit complaints to them where they have legitimate concerns regarding actual or potential adverse human rights impacts and adverse environmental impacts with respect to their own operations, the operations of their subsidiaries and their value chains.

Amendment

1. Member States shall ensure that companies provide the possibility for persons and organisations listed in paragraph 2 to easily submit complaints and early warnings to them where they have legitimate concerns regarding actual or potential adverse human rights impacts and adverse environmental impacts with respect to their own operations, the operations of their subsidiaries and entities with which the company has a business relationship in their value chains. The complaint must be based on objective facts and reasonably documented.

Or. en

Amendment 72
Deirdre Clune

Compromise Amendment replacing Amendment(s): 441 S&D
Proposal for a directive
Article 9 – paragraph 2 – introductory part

Text proposed by the Commission

2. Member States shall ensure that the complaints may be submitted by:

Amendment

2. Member States shall ensure that the complaints mechanism referred to in paragraph 1 is safe, equitable, accessible
and transparent and that complaints may be submitted by:

Or. en

<table>
<thead>
<tr>
<th>Amendment 73</th>
<th>Deirdre Clune</th>
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</thead>
<tbody>
<tr>
<td>Compromise Amendment replacing Amendment(s): 444 Renew Proposal for a directive Article 9 – paragraph 2 – point a</td>
<td></td>
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<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td>(a) persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact,</td>
<td>(a) persons who are directly affected or have reasonable grounds to believe that they will be directly affected by an adverse impact,</td>
</tr>
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</table>

Or. en

<table>
<thead>
<tr>
<th>Amendment 74</th>
<th>Deirdre Clune</th>
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<tbody>
<tr>
<td>Compromise Amendment replacing Amendment(s): 24 rapporteur, 446 S&amp;D, 448 Renew Proposal for a directive Article 9 – paragraph 2 – point b</td>
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<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(b) trade unions and other workers’ representatives representing individuals working in the value chain concerned,</td>
<td>(b) trade unions and other workers’ representatives representing individuals working throughout the value chain concerned that are affected by an adverse impact or have reasonable grounds to believe that they will be affected by an adverse impact,</td>
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Or. en

<table>
<thead>
<tr>
<th>Amendment 75</th>
<th>Deirdre Clune</th>
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<tr>
<td>PE745.199v01-00</td>
<td>46/65</td>
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</table>
Compromise Amendment replacing Amendment(s): 25 Rapporteur, 451 Renew, 452 S&D
Proposal for a directive
Article 9 – paragraph 2 – point c

Text proposed by the Commission

(c) civil society organisations active in the areas related to the value chain concerned.

Amendment

(c) civil society organisations active in the areas related to the value chain concerned, concerning persons who are affected or have reasonable grounds to believe that they will be affected by an adverse impact.

Or. en

Amendment 76
Deirdre Clune

Compromise Amendment replacing Amendment(s): 456 Greens, 457 S&D, Greens 435
Proposal for a directive
Article 9 – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that the companies establish a procedure for dealing with complaints referred to in paragraph 1, including a procedure when the company considers the complaint to be unfounded, and inform the relevant workers and trade unions of those procedures. Member States shall ensure that where the complaint is well-founded, the adverse impact that is the subject matter of the complaint is deemed to be identified within the meaning of Article 6.

Amendment

3. Member States shall ensure that the companies establish a safe procedure for dealing with complaints referred to in paragraph 1, including a procedure when the company considers the complaint to be unfounded, and inform the relevant stakeholders, including workers and trade unions of those procedures. Member States shall ensure that where the complaint is well-founded, the adverse impact that is the subject matter of the complaint is deemed to be identified within the meaning of Article 6. Member States shall ensure that complaints can be submitted in an anonymous and confidential way.

Member States shall ensure that any information published in relation to complaints shall be done so in a manner that does not endanger the stakeholders’ safety, including by not disclosing their identity.
Amendment 77
Deirdre Clune

Compromise Amendment replacing Amendment(s): 460 Greens
Proposal for a directive
Article 9 – paragraph 4 – point b

Text proposed by the Commission

(b) 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.

Amendment

(b) to engage 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.

Amendment 78
Deirdre Clune

Compromise Amendment replacing Amendment(s): 467 Greens
Proposal for a directive
Article 9 – paragraph 4 – point b a (new)

Text proposed by the Commission

(b a) to receive timely and effective information on the steps and actions taken in the context of a specific complaint that has been submitted.

Amendment

(b) to engage 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.

Amendment 79
Deirdre Clune

Compromise Amendment replacing Amendment(s): 471 S&D, 42 Greens, 474 ECR, 475 Renew
Proposal for a directive
Article 10 – paragraph 1
Member States shall ensure that companies carry out periodic assessments of their own operations and measures, 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, mitigation, bringing to an end and minimisation of the extent of human rights and environmental adverse impacts. Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out at least every 12 months and whenever there are reasonable grounds to believe that significant new risks of the occurrence of those adverse impacts may arise. The due diligence policy shall be updated in accordance with the outcome of those assessments.

For companies operating in one of the sectors referred to in Article 2(1)(b), the assessments shall also provide detail with regards to the risks that are specific to that sector. The due diligence policy shall be updated in accordance with the outcome of those assessments. Member States shall ensure that companies disclose relevant information on the outcome of these assessments in accordance with Article 11.
covered by this Directive by publishing on their website an annual statement in a language customary in the sphere of international business. The statement shall be published by 30 April each year, covering the previous calendar year.

Amendment 81
Deirdre Clune
Compromise Amendment replacing Amendment(s): Greens 479, SD 480, ECR 481, Rapporteur 27

Proposal for a directive
Article 11 – paragraph 2

Text proposed by the Commission

The Commission shall adopt delegated acts in accordance with Article 28 concerning the content and criteria for such reporting under paragraph 1, specifying information on the description of due diligence, potential and actual adverse impacts and actions taken on those.

Amendment

The Commission shall adopt delegated acts in accordance with Article 28 concerning the content and criteria for such reporting under paragraph 1, specifying information on the description of due diligence, potential and actual adverse impacts and actions taken on those, as well as related information in order to support companies, their subsidiaries and business partners operating in developing countries to identify, prevent and effectively address actual or potential adverse impacts on human rights and the environment.

The Commission shall ensure that simplified reporting is possible and shall develop procedures for such simplified reporting and identify which companies can avail of a simplified reporting process in line with the risk-based approach, as part of these delegated acts. Companies
wishing to avail of the simplified reporting process shall seek approval from the relevant national competent authority.

Amendment 82
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Article 11 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

The Commission may also provide for the conditions under which companies referred to in paragraph 1 may rely on the consolidated reporting of the group to which they belong in order to fulfil their reporting requirements under this Article.

Amendment 83
Deirdre Clune

Compromise Amendment replacing Amendment(s): S&D 482, Greens 469 & 479
Proposal for a directive
Article 11 a (new)

Text proposed by the Commission

Amendment

Article 11 a

Stakeholder Engagement

Member States shall ensure that companies effectively, safely and meaningfully engage stakeholders when fulfilling their obligations pursuant to Articles 4 to 11. The Commission shall adopt guidelines on stakeholder engagement.
Amendment 84
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapp 28, S&D 485, Greens 486, RE 487, ECR 488
Proposal for a directive
Article 13 – paragraph 1

Text proposed by the Commission

In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, in consultation with Member States and stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, and where appropriate with international bodies having expertise in due diligence, may issue guidelines, including for specific sectors or specific adverse impacts.

Amendment

In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, in consultation with Member States, industry and relevant stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, and where appropriate with international bodies having expertise in due diligence, shall issue general as well as sector-specific and impact-specific guidelines. In particular, those guidelines shall facilitate compliance of all companies and their business partners that come within the scope of this Directive with the requirements of this Directive. The guidelines shall particularly take into account SMEs’ needs and shall enable administrative and financial assistance.

The guidelines shall help companies to fulfil their due diligence obligations in accordance with Articles 6 to 11, by providing guidance on how the requirements under different Union acts could be fulfilled most efficiently, to ensure a level playing field within the Union and ensure consistent implementation of this Directive. These guidelines shall be published before the entry into force of this Directive and be regularly reviewed and updated, taking into account the latest developments in the sectors concerned.
Amendment 85
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 489, S&D 491, Renew 492

Proposal for a directive

Article 14 – paragraph 1

**Text proposed by the Commission**

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

**Amendment**

1. Member States shall, in order to provide information and support to companies and the partners with whom they have business relationships in their value chains in their efforts to **comply with** this Directive, set up and operate individually or jointly dedicated websites, platforms or portals. **Such information, advice and support** shall be given, in that respect, to the SMEs, **in particular**, that are present in the value chains of companies and tailored to their specific needs.

Or. en

Amendment 86
Deirdre Clune

Compromise Amendment replacing Amendment(s): 495, S&D 496, Greens 498

Proposal for a directive

Article 14 – paragraph 2

**Text proposed by the Commission**

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

**Amendment**

2. **Member States may financially support SMEs in order to help them to comply with due diligence requirements. Furthermore, Member States may support stakeholders to exercise their rights under this Directive. This may include the establishment of dedicated websites, platforms or portals. This paragraph is without prejudice to applicable State Aid rules.**
Amendment 87  
Deirdre Clune

Compromise Amendment replacing Amendment(s): GR 497  
Proposal for a directive  
Article 14 – paragraph 3

**Text proposed by the Commission**

3. The Commission *may* complement Member States’ support measures building on existing Union action to support due diligence in the Union and in third countries and may devise new measures, including facilitation of joint stakeholder initiatives to help companies fulfil their obligations.

**Amendment**

3. The Commission *shall, including in view of ensuring consistency,* complement Member States’ support measures building on existing Union action to support due diligence in the Union and in third countries and may devise new measures, including facilitation of joint stakeholder initiatives to help companies fulfil their obligations.

Amendment 88  
Deirdre Clune

Compromise Amendment replacing Amendment(s): ECR 500, Greens 501, Renew 502  
Proposal for a directive  
Article 14 – paragraph 4

**Text proposed by the Commission**

4. Companies may rely on industry schemes and multi-stakeholder initiatives to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment of those obligations. The Commission and the Member States *may* facilitate the dissemination of information on such schemes or initiatives and their outcome. The Commission, in collaboration with Member States, *may* issue guidance for assessing the fitness of

**Amendment**

4. Companies may rely on industry schemes and multi-stakeholder initiatives to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment of those obligations. The Commission and the Member States *shall* facilitate the dissemination of information on such schemes or initiatives and their outcome. The Commission, in collaboration with Member States *and relevant stakeholders, shall* issue guidance
industry schemes and multi-stakeholder initiatives. The Commission shall develop a system for formally recognising industry schemes and multi-stakeholder initiatives. The criteria for assessing the fitness of an industry scheme shall include the inclusion of the perspectives of civil society in audits and the steering of the standards and complaints procedure. Compliance with recognised industry schemes and multi-stakeholder initiatives shall contribute to ensuring compliance with the due diligence requirements under Articles 5 to 11. The Commission shall publish a schedule of recognised industry schemes and multi-stakeholder initiatives no later than one year after the entry into force of this Directive, and shall keep that schedule up to date. Reliance on industry schemes and multi-stakeholder initiatives shall not absolve the company of its individual responsibility and obligations to perform due diligence in accordance with this Directive.

Amendment 89
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 489, ECR 490, Rapporteur 30, ECR 493
Proposal for a directive
Article 14 a (new)

Text proposed by the Commission

Amendment

Article 14 a

Single Point of Contact

1. Each Member State shall designate a national single point of contact on corporate sustainability due diligence. Member States may assign this role to an existing authority. Where a Member State designates only one competent authority,
that competent authority may also be the single point of contact.

2. Companies may seek guidance and obtain further support and information about how best to fulfil their due diligence obligations through this single point of contact. Such information, advice and support shall be practical and tailored to the specific needs of SMEs in particular.

3. The single point of contact may also exercise a liaison function to ensure cross-border cooperation of Member State authorities and with the relevant authorities in other Member States via cooperation with the European Supervisory Network established in Article 21.

4. The Commission shall coordinate the Member State initiatives referred to in paragraph 1 and shall provide a single portal that is easily accessible in all official languages of the EU. On that portal, the Commission shall also provide appropriate information on the global human rights and environmental situation, focusing on the sectors referred to in Article 2(1)(b) and (2)(b).

Or. en

Amendment 90
Deirdre Clune

Compromise Amendment replacing Amendment(s): RE 511

Proposal for a directive
Article 16 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that each company empowers its authorised representative to receive communications from supervisory authorities on all matters necessary for compliance with and enforcement of national provisions transposing this Directive. Companies shall

Amendment

4. Member States shall ensure that each company empowers its authorised representative to receive communications 

*directly and swiftly* from supervisory authorities on all matters necessary for compliance with and enforcement of national provisions transposing this
be required to provide their authorised representative with the necessary powers and resources to cooperate with supervisory authorities.

Directive. Companies shall be required to provide their authorised representative with the necessary powers and resources to cooperate effectively with supervisory authorities.

Amendment 91
Deirdre Clune

Compromise Amendment replacing Amendment(s): RE 513
Proposal for a directive
Article 17 – paragraph 1

Text proposed by the Commission
1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in national provisions adopted pursuant to Articles 6 to 11 and Article 15(1) and (2) (‘supervisory authority’).

Amendment
1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in national provisions adopted pursuant to Articles 6 to 11 and Article 15(1) and (2) (‘supervisory authority’).

One supervisory authority shall serve also as a single point of contact for companies and economic operators in line with Article 14a.

Or. en

Amendment 92
Deirdre Clune

Compromise Amendment replacing Amendment(s): Green 514
Proposal for a directive
Article 17 – paragraph 6

Text proposed by the Commission
6. By the date indicated in Article 30(1), point (a), Member States shall inform the Commission of the names and contact details of the supervisory authorities designated pursuant to this Article, as well as of their respective

Amendment
6. By the date indicated in Article 30(1), point (a), Member States shall inform the Commission of the names and contact details of the supervisory authorities and, when applicable, the respective competences of those
competence where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto.

authorities designated pursuant to this Article, as well as of their respective competence where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto.

Amendment 93
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 515
Proposal for a directive
Article 17 – paragraph 7 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>7 a. Member States shall ensure that supervisory authorities have the appropriate knowledge, experience and skills in relation to human rights, business management environment and climate to perform their duties in the context of this Directive and exercise their powers.</td>
<td></td>
</tr>
</tbody>
</table>

Amendment 94
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 516, S&D 517
Proposal for a directive
Article 17 – paragraph 7 b (new)

<table>
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<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>7 b. Member States shall ensure that supervisory authorities publish and make available an annual report detailing relevant activities, future work plan and priorities and, where appropriate, information on sanctions and decisions.</td>
<td></td>
</tr>
</tbody>
</table>
Amendment 95
Deirdre Clune

Compromise Amendment replacing Amendment(s): ECR 521
Proposal for a directive
Article 18 – paragraph 2 a (new)

Text proposed by the Commission

2 a. Supervisory authorities shall carry out their activities in line with the principle of proportionality and shall take due account of the risk-based approach to due diligence for companies.

Amendment

Or. en

Amendment 96
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Article 18 – paragraph 5 – point c

Text proposed by the Commission

(c) to adopt interim measures to avoid the risk of severe and irreparable harm.

Amendment

(c) to adopt interim measures to avoid the risk of severe or irreparable harm.

Or. en

Amendment 97
Deirdre Clune

Compromise Amendment replacing Amendment(s): SD 532, Greens 528
Proposal for a directive
Article 19 – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that supervisory authorities assess the

Amendment

3. Member States shall ensure that supervisory authorities assess the

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substantiated concerns and, where appropriate, exercise their powers as referred to in Article 18.

**Member States shall ensure that those procedures guarantee the safety of those persons, including by ensuring that concerns and information the disclosure of which could be harmful to the person concerned remain anonymous and confidential.**

Or. en

**Amendment 98**  
Deirdre Clune

Compromise Amendment replacing Amendment(s): CAM  
Proposal for a directive  
Article 19 – paragraph 4

**Text proposed by the Commission**

4. The supervisory authority shall, as soon as possible and in accordance with the relevant provisions of national law and in compliance with Union law, inform the person referred to in paragraph 1 of the result of the assessment of their substantiated concern and shall provide the reasoning for it.

**Amendment**

4. The supervisory authority shall, as soon as possible and in accordance with the relevant provisions of national law and in compliance with Union law, inform the person referred to in paragraph 1 of the result of the assessment of their substantiated concern, **of its decisions**, and shall provide the reasoning for it.

Or. en

**Amendment 99**  
Deirdre Clune

Compromise Amendment replacing Amendment(s): Greens 536, 538  
Proposal for a directive  
Article 19 – paragraph 5

**Text proposed by the Commission**

5. Member States shall ensure that the persons submitting the substantiated concern according to this Article and

**Amendment**

5. Member States shall ensure that the persons submitting the substantiated concern according to this Article and
having, in accordance with national law, a legitimate interest in the matter have access to a court or other independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the supervisory authority.

**Member States shall ensure that Supervisory Authorities establish easily accessible channels for receiving substantiated concerns. Such systems should be made available in relevant languages and at no cost. Any such procedure shall be fair, equitable, timely and not prohibitively expensive as well as, where appropriate, provide adequate and effective remedies.**

Or. en

**Amendment 100**

**Deirdre Clune**

Compromise Amendment replacing Amendment(s): RE 531

**Proposal for a directive**

**Article 20 – paragraph 1**

**Text proposed by the Commission**

1. Member States shall lay down the rules on sanctions applicable to infringements of national provisions adopted pursuant to this Directive, and shall take all measures necessary to ensure that they are implemented. The sanctions provided for shall be effective, proportionate and dissuasive.

**Amendment**

1. Member States shall lay down the rules on sanctions applicable to infringements of national provisions adopted pursuant to this Directive, and shall take all measures necessary to ensure that they are implemented. The sanctions provided for shall be effective, proportionate and dissuasive. **Member States shall take in due account the exchange of information held within the European Network of Supervisory Authority to ensure that sanctions are harmonised within the Union.**

Or. en
Amendment 101
Deirdre Clune

Compromise Amendment replacing Amendment(s): RE 543
Proposal for a directive
Article 20 – paragraph 2

Text proposed by the Commission

2. In deciding whether to impose sanctions and, if so, in determining their nature and appropriate level, due account shall be taken of the company’s efforts to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as collaboration with other entities to address adverse impacts in its value chains, as the case may be.

Amendment

2. In deciding whether to impose sanctions and, if so, in determining their nature and appropriate level, due account shall be taken of the company’s efforts to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, possible cumulative effects from other sanctions already imposed on the company as well as collaboration with other entities to address adverse impacts in its value chains, as the case may be.

Or. en

Amendment 102
Deirdre Clune

Compromise Amendment replacing Amendment(s): RE 551, S&D 552, Greens 553
Proposal for a directive
Article 21 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The Commission shall set up a European Network of Supervisory Authorities, composed of representatives of the supervisory authorities. The Network shall facilitate the cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, sharing of information among them.

Amendment

The Commission shall set up a European Network of Supervisory Authorities, composed of representatives of the supervisory authorities. The Network shall serve as a platform for cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, sharing of information among them, as well as disclosing relevant annual activities of the Network. In particular, the Network shall facilitate the
development of a harmonised approach on sanctions applicable for infringements of this regulation, including by determining, without prejudice to national criminal law, common range and common criteria for penalties.

Or. en

Amendment 103
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rap. 32
Proposal for a directive
Article 21 – paragraph 2 a (new)

<table>
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<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tr>
<td>2 a. Supervisory authorities that are not the single point of contact in a Member State and conduct activities in accordance with this Directive shall share relevant information with the single point of contact as a means of ensuring that the single point of contact has the necessary information to perform its tasks.</td>
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Or. en

Amendment 104
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rap 33, Greens 600
Proposal for a directive
Article 29 – paragraph 1 – introductory part

<table>
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<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tr>
<td>No later than … [OP please insert the date = 7 years after the date of entry into force of this Directive], the Commission shall submit a report to the European Parliament and to the Council on the implementation of this Directive. The report shall evaluate the effectiveness of this Directive in</td>
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<tr>
<td>By … [OP please insert the date = 7 years after the date of entry into force of this Directive], and every three years thereafter, the Commission shall submit a report to the European Parliament and to the Council on the implementation of this Directive. The report shall evaluate the</td>
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reaching its objectives and assess the effectiveness of this Directive in reaching its objectives and assess the following issues:

Amendment 105
Deirdre Clune
Compromise Amendment replacing Amendment(s): CAM
Proposal for a directive
Article 29 – paragraph 1 – point d a (new)

Text proposed by the Commission

(d a) whether legislative changes need to be adopted;

Amendment

Or. en

Amendment 106
Deirdre Clune
Compromise Amendment replacing Amendment(s): Greens 605
Proposal for a directive
Article 29 – paragraph 1 – point d b (new)

Text proposed by the Commission

(d b) the involvement of stakeholders throughout the relevant due diligence processes;

Amendment

Or. en

Amendment 107
Deirdre Clune
Compromise Amendment replacing Amendment(s): Greens 606
Proposal for a directive
Article 29 – paragraph 1 – point d c (new)
Text proposed by the Commission

(d c) the convergence and divergence between Member States in national legislation following the implementation of this Directive;

Amendment

Or. en

Amendment 108
Deirdre Clune

Compromise Amendment replacing Amendment(s): Rapporteur 33, Greens 601
Proposal for a directive
Article 29 – paragraph 1 a (new)

Text proposed by the Commission

By ... 3 years after the date of entry into force of this Directive, the Commission shall review the impact of this Directive, including the associated indirect costs and the economic, social and environmental effects thereof, on SMEs and accompanied by an account and assessment of the effectiveness of the different measures and tools for support provided to SMEs by the Commission and Member States.

Amendment

Or. en