



**2021/0104(COD)**

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# **AMENDMENT 68 - 237**

**Draft opinion**

**Jessica Polfjärd**

(PE700.636v01-00)

Proposal for a directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting

Proposal for a directive

(COM(2021)0189 – C9-0147/2021 – 2021/0104(COD))



**Amendment 68**  
**Michiel Hoogeveen**

**Proposal for a directive**  
**Citation 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***The European Parliament rejects the proposal for a Directive amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting.***

Or. en

*Justification*

*The extension of reporting obligations as proposed by the European Commission risks being too burdensome for the EU industry, keeping in mind not only the information that is to be reported but also the number of reporting companies and given the work already being undertaken on other proposals that would also imply a significant increase of administrative burden for EU companies. Furthermore, the Commission failed to come forward with a convincing impact analysis of costs and benefits.*

**Amendment 69**  
**Gunnar Beck**

**Proposal for a directive**  
**Recital 1**

*Text proposed by the Commission*

*Amendment*

(1) In its communication on the European Green Deal adopted on 11 December 2019<sup>30</sup>, the European Commission made a commitment to review the provisions concerning non-financial reporting of Directive 2013/34/EU of the European Parliament and of the Commission.<sup>31</sup> The European Green Deal is the European Union's new growth strategy. It aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It also aims to protect, conserve and enhance

(1) In its communication on the European Green Deal adopted on 11 December 2019<sup>30</sup>, the European Commission made a commitment to review the provisions concerning non-financial reporting of Directive 2013/34/EU of the European Parliament and of the Commission.<sup>31</sup> The European Green Deal is the European Union's new growth strategy. It aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It also aims to protect, conserve and enhance

the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. The European Green Deal aims at decoupling economic growth from resource use, and ensuring that all regions and citizens of the Union participate in a socially just transition to a sustainable economic system. It will contribute to the objective of building an economy that works for the people, strengthening the EU's social market economy, helping to ensure that it is future-ready and that it delivers stability, jobs, growth and investment. These goals are especially important considering the socio-economic damage caused by the COVID-19 pandemic and the need for a sustainable, inclusive and fair recovery. *In its proposal of 4 March 2020 for a European Climate Law, the European Commission proposed to make the objective of climate neutrality by 2050 binding in the Union.*<sup>32</sup>

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<sup>30</sup> COM(2019) 640 final.

<sup>31</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<sup>32</sup> Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) [2020/0036 (COD)]

the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. The European Green Deal aims at decoupling economic growth from resource use, and ensuring that all regions and citizens of the Union participate in a socially just transition to a sustainable economic system. It will contribute to the objective of building an economy that works for the people, strengthening the EU's social market economy, helping to ensure that it is future-ready and that it delivers stability, jobs, growth and investment. These goals are especially important considering the socio-economic damage caused by the *national and regional lockdown measures following the* COVID-19 pandemic and the need for a sustainable, inclusive and fair recovery.

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<sup>31</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<sup>32</sup> Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) [2020/0036 (COD)]

Or. en

## **Amendment 70**

**Gabriele Bischoff, Aurore Lalucq, Pedro Marques, Victor Negrescu, Jonás Fernández,**

**Proposal for a directive**

**Recital 1**

*Text proposed by the Commission*

(1) In its communication on the European Green Deal adopted on 11 December 2019<sup>30</sup>, the European Commission made a commitment to review the provisions concerning non-financial reporting of Directive 2013/34/EU of the European Parliament and of the Commission.<sup>31</sup> The European Green Deal is the European Union's new growth strategy. It aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. The European Green Deal aims at decoupling economic growth from resource use, and ensuring that all regions and citizens of the Union participate in a socially just transition to a sustainable economic system. It will contribute to the objective of building an economy that works for the people, strengthening the EU's social market economy, helping to ensure that it is future-ready and that it delivers stability, jobs, growth and investment. These goals are especially important considering the socio-economic damage caused by the COVID-19 pandemic and the need for a sustainable, inclusive and fair recovery. In its proposal of 4 March 2020 for a European Climate Law, the European Commission proposed to make the objective of climate neutrality by 2050 binding in the Union.<sup>32</sup>

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<sup>30</sup> COM(2019) 640 final.

<sup>31</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements,

*Amendment*

(1) In its communication on the European Green Deal adopted on 11 December 2019<sup>30</sup>, the European Commission made a commitment to review the provisions concerning non-financial reporting of Directive 2013/34/EU of the European Parliament and of the Commission.<sup>31</sup> The European Green Deal is the European Union's new growth strategy. It aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. The European Green Deal aims at decoupling economic growth from resource use, and ensuring that all regions and citizens of the Union participate in a socially just transition to a sustainable economic system. It will contribute to the objective of building an economy that works for the people, strengthening the EU's social market economy, helping to ensure that it is future-ready and that it delivers stability, **quality** jobs, growth and investment. These goals are especially important considering the socio-economic damage caused by the COVID-19 pandemic and the need for a sustainable, inclusive and fair recovery. In its proposal of 4 March 2020 for a European Climate Law, the European Commission proposed to make the objective of climate neutrality by 2050 binding in the Union.<sup>32</sup>

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<sup>30</sup> COM(2019) 640 final.

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consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

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consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<sup>32</sup> Proposal for a Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) [2020/0036 (COD)]

Or. en

### **Amendment 71**

**Gabriele Bischoff, Aurore Lalucq, Paul Tang, Alfred Sant, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

**Proposal for a directive  
Recital 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***(2a) Diversity on company boards contributes to better decision making, corporate governance and resilience in high-risk undertakings. Workers' representatives as well as more women on boards would promote the sustainable development of undertakings.***

Or. en

### **Amendment 72**

**Bas Eickhout**  
on behalf of the Greens/EFA Group

**Proposal for a directive  
Recital 4**

*Text proposed by the Commission*

(4) In its resolution on sustainable finance of 29 May 2018<sup>43</sup>, the European Parliament called for the further development of non-financial reporting requirements in the framework of Directive 2013/34/EU. In its resolution on sustainable corporate governance of 17 December 2020<sup>44</sup>, the European Parliament welcomed the Commission's commitment to review Directive 2013/34/EU and expressed the need to set up a comprehensive Union framework on non-financial reporting that contains mandatory Union non-financial reporting standards. The European Parliament called for the expansion of the scope of the reporting requirements to additional categories of undertakings and for the introduction of an audit requirement.

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<sup>43</sup> 2018/2007(INI).

<sup>44</sup> A9-0240/2020 (INI).

*Amendment*

(4) In its resolution on sustainable finance of 29 May 2018<sup>43</sup>, the European Parliament called for the further development of non-financial reporting requirements in the framework of Directive 2013/34/EU. In its resolution on sustainable corporate governance of 17 December 2020<sup>44</sup>, the European Parliament welcomed the Commission's commitment to review Directive 2013/34/EU and expressed the need to set up a comprehensive Union framework on non-financial reporting that contains mandatory Union non-financial reporting standards. The European Parliament called for the expansion of the scope of the reporting requirements to additional categories of undertakings, ***for the identification of high-risk sectors of economic activity with a significant impact on sustainability matters that could justify the inclusion of small and medium sized enterprises (SMEs)***, and for the introduction of an audit requirement.

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<sup>43</sup> 2018/2007(INI).

<sup>44</sup> A9-0240/2020 (INI).

Or. en

**Amendment 73**  
**Gunnar Beck**

**Proposal for a directive**  
**Recital 7**

*Text proposed by the Commission*

(7) Many stakeholders consider the term 'non-financial' to be inaccurate, in particular because it ***implies that the information in question has no financial relevance. Increasingly, however, the information in question does have financial relevance.*** Many organisations,

*Amendment*

(7) Many stakeholders consider the term 'non-financial' to be inaccurate, in particular because it ***is difficult to quantify and calculate.*** Many organisations, initiatives and practitioners in this field refer to 'sustainability' information. It ***could*** therefore ***be useful*** to use the term

initiatives and practitioners in this field refer to ‘sustainability’ information. It *is* therefore *preferable* to use the term ‘sustainability information’ in place of ‘non-financial information’. Directive 2013/34/EU should therefore be amended to take account of this change in terminology.

‘sustainability information’ in place of ‘non-financial information’, *although non-financial information is wider than the mere question of sustainability, which is in turn, at least partly financial information, and therefore easier to quantify and calculate*. Directive 2013/34/EU should therefore be amended to take account of this change in terminology.

Or. en

#### **Amendment 74**

**Gabriele Bischoff, Aurore Lalucq, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### **Proposal for a directive**

##### **Recital 7**

###### *Text proposed by the Commission*

(7) Many stakeholders consider the term ‘non-financial’ to be inaccurate, in particular because it implies that the information in question has no financial relevance. Increasingly, however, the information in question does have financial relevance. Many organisations, initiatives and practitioners in this field refer to ‘sustainability’ information. It is therefore preferable to use the term ‘sustainability information’ in place of ‘non-financial information’. Directive 2013/34/EU should therefore be amended to take account of this change in terminology.

###### *Amendment*

(7) Many stakeholders consider the term ‘non-financial’ to be inaccurate, in particular because it implies that the information in question has no financial relevance. Increasingly, however, the information in question does have financial relevance. Many organisations, initiatives and practitioners in this field refer to ‘sustainability’ information. It is therefore preferable to use the term ‘sustainability information’ in place of ‘non-financial information’. Directive 2013/34/EU should therefore be amended to take account of this change in terminology *and to align sustainability reporting standards with financial reporting standards*.

Or. en

#### **Amendment 75**

**Manon Aubry**

#### **Proposal for a directive**

##### **Recital 8**



(8) The ultimate beneficiaries of better sustainability reporting by undertakings are individual citizens and savers. Savers who want to invest sustainably will have the opportunity to do so, while all citizens should benefit from a stable, sustainable and inclusive economic system. To realise these benefits, the sustainability information disclosed in undertaking's annual reports first has to reach two primary groups ('users'). The first group of users consists of investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments and the impacts of those investments on people and the environment. The *second* group of users consists of organisations, including non-governmental organisations and social partners, that wish to better hold undertakings to account for their impacts on people and the environment. Other stakeholders may also make use of sustainability information disclosed in annual reports. The business partners of undertakings, including customers, may rely on this information to understand, and where necessary report on, the sustainability risks and impacts through their own value chains. Policy makers and environmental agencies may use such information, in particular on an aggregate basis, to monitor environmental and social trends, to contribute to environmental accounts, and to inform public policy. Few individual citizens and consumers directly consult undertaking's reports, but they may use such information indirectly such as when considering the advice or opinions of financial advisers or non-governmental organisations. Many investors and asset managers purchase sustainability information from third party data providers, who collect information from various sources, including public corporate

(8) The ultimate beneficiaries of better sustainability reporting by undertakings are *public authorities*, individual citizens and savers. *Policymakers and public authorities need this information in order to design and implement public policies, and in particular to protect people's rights and the environment, to hold undertakings accountable for their impacts and to conduct a just social and environmental transition.* Savers who want to invest sustainably will have the opportunity to do so, while all citizens should benefit from a stable, sustainable and inclusive economic system. To realise these benefits, the sustainability information disclosed in undertaking's annual reports first has to reach two primary groups ('users'). The first group of users consists of *policy makers and public authorities.* *The second group of users consists of* investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments and the impacts of those investments on people and the environment. The *third* group of users consists of organisations, including non-governmental organisations and social partners, that wish to better hold undertakings to account for their impacts on people and the environment. Other stakeholders may also make use of sustainability information disclosed in annual reports. The business partners of undertakings, including customers, may rely on this information to understand, and where necessary report on, the sustainability risks and impacts through their own value chains. Policy makers and environmental agencies may use such information, in particular on an aggregate basis, to monitor environmental and social trends, to contribute to environmental accounts, and to inform public policy. Few individual citizens and consumers directly

reports.

consult undertaking's reports, but they may use such information indirectly such as when considering the advice or opinions of financial advisers or non-governmental organisations. Many investors and asset managers purchase sustainability information from third party data providers, who collect information from various sources, including public corporate reports.

Or. en

**Amendment 76**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 8**

*Text proposed by the Commission*

(8) The ultimate beneficiaries of better sustainability reporting by undertakings are individual citizens and savers. Savers who want to invest sustainably will have the opportunity to do so, while all citizens should benefit from a stable, sustainable and inclusive economic system. To realise these benefits, the sustainability information disclosed in undertaking's annual reports first has to reach two primary groups ('users'). The first group of users consists of investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments and the impacts of those investments on people and the environment. The second group of users consists of ***organisations, including non-governmental organisations and social partners***, that wish to ***better hold undertakings to account for their impacts on people and the environment. Other stakeholders may also make use of sustainability information disclosed in annual reports.*** The business partners of undertakings, including customers, may

*Amendment*

(8) The ultimate beneficiaries of better sustainability reporting by undertakings are individual citizens and savers. Savers who want to invest sustainably will have the opportunity to do so, while all citizens should benefit from a stable, sustainable and inclusive economic system. To realise these benefits, the sustainability information disclosed in undertaking's annual reports first has to reach two primary groups ('users'). The first group of users consists of investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments and the impacts of those investments on people and the environment. The second group of users consists of ***third parties***, that wish to ***measure the impacts of the activities of these*** undertakings their environment, ***including people***. The business partners of undertakings, including customers, may rely on this information to understand, and where necessary report on, the sustainability risks and impacts through their own value chains. Policy makers and

rely on this information to understand, and where necessary report on, the sustainability risks and impacts through their own value chains. Policy makers and environmental agencies may use such information, in particular on an aggregate basis, to monitor environmental and social trends, to contribute to environmental accounts, and to inform public policy. *Few individual citizens and consumers* directly consult *undertaking's* reports, but they may use such information indirectly such as when considering the advice or opinions of *financial advisers or non-governmental organisations*. Many investors and asset managers purchase sustainability information from third party data providers, who collect information from various sources, including public corporate reports.

environmental agencies may use such information, in particular on an aggregate basis, to monitor environmental and social trends, to contribute to environmental accounts, and to inform public policy. *Individuals can also* directly consult *undertakings'* reports, but they may use such information indirectly such as when considering the advice or opinions of *aforementioned entities*. Many investors and asset managers purchase sustainability information from third party data providers, who collect information from various sources, including public corporate reports.

Or. en

#### **Amendment 77**

**Gabriele Bischoff, Aurore Lalucq, Alfred Sant, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### **Proposal for a directive**

#### **Recital 8**

##### *Text proposed by the Commission*

(8) The ultimate beneficiaries of better sustainability reporting by undertakings are individual citizens and savers. Savers who want to invest sustainably will have the opportunity to do so, while all citizens should benefit from a stable, sustainable and inclusive economic system. To realise these benefits, the sustainability information disclosed in undertaking's annual reports first has to reach two primary groups ('users'). The first group of users consists of investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments and the impacts of those

##### *Amendment*

(8) The ultimate beneficiaries of better sustainability reporting by undertakings are individual citizens and savers. Savers who want to invest sustainably will have the opportunity to do so, while all citizens should benefit from a stable, sustainable, **transparent** and inclusive economic system. To realise these benefits, the sustainability information disclosed in undertaking's annual reports first has to reach two primary groups ('users'). The first group of users consists of investors, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments and the impacts of

investments on people and the environment. The second group of users consists of organisations, including non-governmental organisations and social partners, that wish to better hold undertakings to account for their impacts on people and the environment. Other stakeholders may also make use of sustainability information disclosed in annual reports. The business partners of undertakings, including customers, may rely on this information to understand, and where necessary report on, the sustainability risks and impacts through their own value chains. Policy makers *and* environmental agencies may use such information, in particular on an aggregate basis, to monitor environmental and social trends, to contribute to environmental accounts, and to inform public policy. Few individual citizens and consumers directly consult undertaking's reports, but they may use such information indirectly such as when considering the advice or opinions of financial advisers or non-governmental organisations. Many investors and asset managers purchase sustainability information from third party data providers, who collect information from various sources, including public corporate reports.

those investments on people and the environment. The second group of users consists of organisations, including non-governmental organisations and social partners, that wish to better hold undertakings to account for their impacts on people and the environment. Other stakeholders may also make use of sustainability information disclosed in annual reports. The business partners of undertakings, including customers, may rely on this information to understand, and where necessary report on, the sustainability risks and impacts through their own value chains. Policy makers, *social partners*, environmental agencies *and non-governmental organisations* may use such information, in particular on an aggregate basis, to monitor environmental and social trends, to contribute to environmental accounts *and social progress*, and to inform public policy. Few individual citizens and consumers directly consult undertaking's reports, but they may use such information indirectly such as when considering the advice or opinions of financial advisers or non-governmental organisations. Many investors and asset managers purchase sustainability information from third party data providers, who collect information from various sources, including public corporate reports.

Or. en

## **Amendment 78**

### **Gunnar Beck**

#### **Proposal for a directive**

#### **Recital 9**

*Text proposed by the Commission*

(9) There has been a very significant increase in demand for corporate sustainability information in recent years, especially on the part of the investment

*Amendment*

(9) There has been a very significant increase in demand for corporate sustainability information in recent years, especially on the part of the investment

community. That increase in demand is driven by the changing nature of risks to undertakings and growing investor awareness of the financial implications of these risks. That is especially the case for *climate-related financial risks. Awareness of the risks to undertakings and to investments resulting from other environmental issues and from social issues, including health issues, is also growing.* The increase in demand for sustainability information is also driven by the growth in investment products that explicitly seek to meet certain sustainability standards or achieve certain sustainability objectives. Part of that increase is the logical consequence of previously adopted Union legislation, notably Regulation (EU) 2019/2088 and Regulation (EU) 2020/852. Some of the increase would have happened in any case, due to fast-changing citizen awareness, consumer preferences and market practices. *The COVID-19 pandemic will further accelerate the increase in users' information needs, in particular as it has exposed the vulnerabilities of workers and of undertaking's value chains. Information on environmental impacts is also relevant in the context of mitigating future pandemics with human disturbance of ecosystems increasingly linked to the occurrence and spread of diseases.*

community. That increase in demand is driven by the changing nature of risks to undertakings and growing investor awareness of the financial implications of these risks. That is especially the case for environmental issues and social issues, including health issues. The increase in demand for sustainability information is also driven by the growth in investment products that explicitly seek to meet certain sustainability standards or achieve certain sustainability objectives. Part of that increase is the logical consequence of previously adopted Union legislation, notably Regulation (EU) 2019/2088 and Regulation (EU) 2020/852. Some of the increase would have happened in any case, due to fast-changing citizen awareness, consumer preferences and market practices.

Or. en

#### **Amendment 79**

**Gabriele Bischoff, Aurore Lalucq, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### **Proposal for a directive**

#### **Recital 9**

*Text proposed by the Commission*

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*Amendment*

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sustainability information in recent years, especially on the part of the investment community. That increase in demand is driven by the changing nature of risks to undertakings and growing investor awareness of the financial implications of these risks. That is especially the case for climate-related financial risks. Awareness of the risks to undertakings and to investments resulting from other environmental issues and from social issues, including health issues, is also growing. The increase in demand for sustainability information is also driven by the growth in investment products that explicitly seek to meet certain sustainability standards or achieve certain sustainability objectives. Part of that increase is the logical consequence of previously adopted Union legislation, notably Regulation (EU) 2019/2088 and Regulation (EU) 2020/852. Some of the increase would have happened in any case, due to fast-changing citizen awareness, consumer preferences and market practices. The COVID-19 pandemic will further accelerate the increase in users' information needs, in particular as it has exposed the vulnerabilities of workers and of undertaking's value chains. Information on environmental impacts is also relevant in the context of mitigating future pandemics with human disturbance of ecosystems increasingly linked to the occurrence and spread of diseases.

sustainability information in recent years, especially on the part of the investment community. That increase in demand is driven by the changing nature of risks to undertakings and growing investor awareness of the financial implications of these risks. That is especially the case for climate-related financial risks. Awareness of the risks to undertakings and to investments resulting from other environmental issues and from social issues, including health issues, is also growing. The increase in demand for sustainability information is also driven by the growth in investment products that explicitly seek to meet certain sustainability standards or achieve certain sustainability objectives. Part of that increase is the logical consequence of previously adopted Union legislation, notably Regulation (EU) 2019/2088 and Regulation (EU) 2020/852. Some of the increase would have happened in any case, due to fast-changing citizen awareness, consumer preferences and market practices. The COVID-19 pandemic will further accelerate the increase in users' information needs, in particular as it has exposed the vulnerabilities of workers, *particularly women and atypical workers*, and of undertaking's *due diligence along the supply and* value chains. Information on environmental impacts is also relevant in the context of mitigating future pandemics with human disturbance of ecosystems increasingly linked to the occurrence and spread of diseases.

Or. en

#### **Amendment 80**

**Bas Eickhout**

on behalf of the Greens/EFA Group

#### **Proposal for a directive**

**Recital 9 a (new)**

*Text proposed by the Commission*

*Amendment*

***(9a) Global value chains in particular critical raw materials value chains, are impacted by detrimental effects of natural or man-made hazards. The risks in critical supply chains have been made apparent by the COVID-19 crisis while the frequency and impact of those shocks are likely to increase in the future, leading to a subsequent increase of macroeconomic volatility as well as market and trade uncertainty. To address this, in the context reporting requirements by undertakings, the EU should establish resilience stress tests for undertakings, akin to the stress tests for financial institutions, that would map, assess and provide potential responses to their supply chain risks, including externalities as well as social, environmental and political risks.***

Or. en

**Amendment 81  
Jessica Stegrud**

**Proposal for a directive  
Recital 9 a (new)**

*Text proposed by the Commission*

*Amendment*

***(9a) Individual Member States - and the European Union as a whole - depend heavily on SMEs and their global competitiveness for development and prosperity.***

Or. en

**Amendment 82  
Jessica Stegrud**

**Proposal for a directive**  
**Recital 9 b (new)**

*Text proposed by the Commission*

*Amendment*

**(9b) Regulation constitute more often than not an obstacle for entrepreneurial success.**

Or. en

**Amendment 83**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 9 c (new)**

*Text proposed by the Commission*

*Amendment*

**(9c) Bureaucracy is frequently pointed out as a problem for companies in general and SMEs in particular.**

Or. en

**Amendment 84**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 9 d (new)**

*Text proposed by the Commission*

*Amendment*

**(9d) Legislative bodies should not contribute to the creation of a grey zone between legal and illegal. Companies, financial institutions, customers and - for instance - trade unions may agree upon guidelines that go beyond the legislation. Such agreements, however, must be voluntary from a legal perspective.**

Or. en



## Amendment 85

Jessica Stegrud

### Proposal for a directive

#### Recital 10

*Text proposed by the Commission*

(10) Undertakings themselves **stand to** benefit from carrying out high quality reporting on sustainability matters. The growth in the number of investment products that aim to pursue sustainability objectives means that good sustainability reporting can enhance an undertaking's access to financial capital. Sustainability reporting can help undertakings to identify and manage their own risks and opportunities related to sustainability matters. It can provide a basis for better dialogue and communication between undertakings and their stakeholders, and can help undertakings to improve their reputation.

*Amendment*

(10) Undertakings **can decide by** themselves **whether or not they** benefit from carrying out high quality reporting on sustainability matters. The growth in the number of investment products that aim to pursue sustainability objectives means that good sustainability reporting can enhance an undertaking's access to financial capital. Sustainability reporting can help undertakings to identify and manage their own risks and opportunities related to sustainability matters. It can provide a basis for better dialogue and communication between undertakings and their stakeholders, and can help undertakings to improve their reputation.

Or. en

## Amendment 86

Bas Eickhout

on behalf of the Greens/EFA Group

### Proposal for a directive

#### Recital 11

*Text proposed by the Commission*

(11) The report on the review clause of the Non-Financial Reporting Directive (Directive 2014/95/EU), and its accompanying fitness check on corporate reporting, identified problems as to the effectiveness of that Directive<sup>48</sup>. There is significant evidence that many undertakings do not disclose material information on all major sustainability-related topics. The report also identified as significant problems the limited comparability and reliability of

*Amendment*

(11) The report on the review clause of the Non-Financial Reporting Directive (Directive 2014/95/EU), and its accompanying fitness check on corporate reporting, identified problems as to the effectiveness of that Directive<sup>48</sup>. There is significant evidence that many undertakings do not disclose material information on all major sustainability-related topics. The report also identified as significant problems the limited comparability and reliability of

sustainability information. Additionally, many undertakings from which users need sustainability information are not obliged to report such information.

sustainability information. Additionally, many undertakings from which users need sustainability information are not obliged to report such information ***a fact that underlines the need for a robust monitoring, reporting and verification framework and effective auditing within corporate sustainability reporting to ensure the reliability of data and avoid off-setting, greenwashing and/or double-accounting.***

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<sup>48</sup> Publication office: please insert reference to Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the review clauses in Directives 2013/34/EU, 2014/95/EU, and 2013/50/EU, and accompanying SWD-Fitness Check.

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<sup>48</sup> Publication office: please insert reference to Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the review clauses in Directives 2013/34/EU, 2014/95/EU, and 2013/50/EU, and accompanying SWD-Fitness Check.

Or. en

## **Amendment 87**

**Gunnar Beck, Charlie Weimers**

### **Proposal for a directive**

#### **Recital 12**

#### *Text proposed by the Commission*

(12) In the absence of ***policy action***, the gap between users' information needs and the sustainability information reported by undertakings is expected to grow. This gap has significant negative consequences. Investors are unable to take sufficient account of sustainability-related risks and opportunities in their investment decisions. The aggregation of multiple investment decisions that do not take adequate account of sustainability-related risks has the potential to create systemic risks that threaten financial stability. The ***European Central Bank and international organisations such as the Financial Stability Board have drawn attention to***

#### *Amendment*

(12) In the absence of ***transparency and reporting requirements***, the gap between users' information needs and the sustainability information reported by undertakings is expected to grow. This gap has significant negative consequences. Investors are unable to take sufficient account of sustainability-related risks and opportunities in their investment decisions. The aggregation of multiple investment decisions that do not take adequate account of sustainability-related risks has the potential to create systemic risks that threaten financial stability. The lack of generally accepted metrics and methods for measuring, valuing, and managing

*those systemic risks, in particular in the case of climate. Investors are also less able to channel financial resources to undertakings and economic activities that address and do not exacerbate social and environmental problems, which undermines the objectives of the European Green Deal and the Action Plan on Financing Sustainable Growth. Non-governmental organisations, social partners, communities affected by undertakings' activities, and other stakeholders are less able to hold undertakings accountable for their impacts on people and the environment. This creates an accountability deficit, and may contribute to lower levels of citizen trust in businesses, which in turn may have negative impacts on the efficient functioning of the social market economy. The lack of generally accepted metrics and methods for measuring, valuing, and managing sustainability-related risks is also an obstacle to the efforts of undertakings to ensure that their business models and activities are sustainable.*

sustainability-related risks is *the primary* obstacle to the efforts of undertakings to ensure that their business models and activities are sustainable.

Or. en

#### **Amendment 88**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Nicola Beer, Billy Kelleher**

#### **Proposal for a directive**

#### **Recital 12**

##### *Text proposed by the Commission*

(12) In the absence of policy action, the gap between users' information needs and the sustainability information reported by undertakings is expected to grow. This gap has significant negative consequences. Investors are unable to take sufficient account of sustainability-related risks and opportunities in their investment decisions. The aggregation of multiple investment decisions that do not take adequate account

##### *Amendment*

(12) In the absence of policy action, the gap between users' information needs and the sustainability information reported by undertakings is expected to grow. This gap has significant negative consequences. Investors are unable to take sufficient account of sustainability-related risks and opportunities in their investment decisions. The aggregation of multiple investment decisions that do not take adequate account

of sustainability-related risks has the potential to create systemic risks that threaten financial stability. The European Central Bank and international organisations such as the Financial Stability Board have drawn attention to those systemic risks, in particular in the case of climate. Investors are also less able to channel financial resources to undertakings and economic activities that address and do not exacerbate social and environmental problems, which undermines the objectives of the European Green Deal and the Action Plan on Financing Sustainable Growth. Non-governmental organisations, social partners, communities affected by undertakings' activities, and other stakeholders are less able to hold undertakings accountable for their impacts on people and the environment. This creates an accountability deficit, and may contribute to lower levels of citizen trust in businesses, which in turn may have negative impacts on the efficient functioning of the social market economy. The lack of generally accepted metrics and methods for measuring, valuing, and managing sustainability-related risks is also an obstacle to the efforts of undertakings to ensure that their business models and activities are sustainable.

of sustainability-related risks has the potential to create systemic risks that threaten financial stability ***and delay the development and expansion of the SMEs.*** The European Central Bank and international organisations such as the Financial Stability Board have drawn attention to those systemic risks, in particular in the case of climate. Investors are also less able to channel financial resources to undertakings and economic activities that address and do not exacerbate social and environmental problems, which undermines the objectives of the European Green Deal and the Action Plan on Financing Sustainable Growth. Non-governmental organisations, social partners, communities affected by undertakings' activities, and other stakeholders are less able to hold undertakings accountable for their impacts on people and the environment. This creates an accountability deficit, and may contribute to lower levels of citizen trust in businesses, which in turn may have negative impacts on the efficient functioning of the social market economy. The lack of generally accepted metrics and methods for measuring, valuing, and managing sustainability-related risks is also an obstacle to the efforts of undertakings to ensure that their business models and activities are sustainable ***and continues to hamper the mainstreaming of sustainable economic activity across Europe and the rest of the world. Impact measurement and valuation provides guidance for quantification and monetary valuation of an undertaking's environmental impacts and can easily be extended to social, human, and economic impacts. It illustrates associated risks with an undertaking's activities, while creating a tangible common language for internal and external stakeholders.***

Or. en

**Amendment 89**  
**Linea Søgaard-Lidell**

**Proposal for a directive**  
**Recital 14**

*Text proposed by the Commission*

(14) The growing gap between users' information needs and the current reporting practices of undertakings makes it more likely that individual Member States will introduce increasingly divergent national rules or standards. Different reporting requirements in different Member States would create additional costs and complexity for undertakings operating across borders and therefore undermine the single market, and would undermine the right of establishment and the free movement of capital across the Union. Those different reporting requirements also make reported information less comparable across borders, undermining the capital markets union.

*Amendment*

(14) The growing gap between users' information needs and the current reporting practices of undertakings makes it more likely that individual Member States will introduce increasingly divergent national rules or standards. Different reporting requirements in different Member States would create additional costs and complexity for undertakings operating across borders and therefore undermine the single market, and would undermine the right of establishment and the free movement of capital across the Union. Those different reporting requirements also make reported information less comparable across borders, undermining the capital markets union. ***The requirements laid down in this directive will ensure harmonized practice on sustainability reporting as well as allow corporate undertakings to demonstrate compliance with all Union law relating to sustainability reporting at corporate level based on one set of sustainability reporting standards.***

Or. en

*Justification*

*This amendment clarifies that corporates should be able to use the reporting standards of this Directive to demonstrate compliance with all EU requirements on sustainability at the corporate level. This with a view to avoid the creation of parallel reporting regimes in the future, and hence, minimize the administrative burdens on companies. The sustainability reporting standards under CSRD should hence be the principal reporting tool by which companies collect and disclose data on corporate sustainability regardless of which EU legislation the reporting requirements laid down in.*

**Amendment 90**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 14**

*Text proposed by the Commission*

(14) The growing gap between users' information needs and the current reporting practices of undertakings makes it more likely that individual Member States will introduce increasingly divergent national rules or standards. Different reporting requirements in different Member States would create additional costs and complexity for undertakings operating across borders and therefore undermine the single market, and would undermine the right of establishment and the free movement of capital across the Union. Those different reporting requirements also make reported information less comparable across borders, undermining the capital markets union.

*Amendment*

(14) The growing gap between users' information needs and the current reporting practices of undertakings makes it more likely that individual Member States will introduce increasingly divergent national rules or standards. Different reporting requirements in different Member States would create additional costs and complexity for undertakings operating across borders and therefore undermine the single market, and would undermine the right of establishment and the free movement of capital across the Union. Those different reporting requirements also make reported information less comparable across borders, undermining the capital markets union. ***There is, however, a considerable risk that a harmonised regulation would imply increased red tape for a majority of the Member States. Therefore, a harmonised framework on EU level should aim at reducing the average burden of bureaucracy.***

Or. en

**Amendment 91**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 15**

*Text proposed by the Commission*

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis,

*Amendment*

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis,

respectively. In view of the growth of users' needs for sustainability information, additional categories of undertakings should be required to report such information. It is therefore appropriate to require all large undertakings and all undertakings listed on regulated markets, except micro undertakings, to report detailed sustainability information. In addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

respectively. In view of the growth of users' needs for sustainability information, additional categories of undertakings should be required to report such information. It is therefore appropriate to require all large undertakings and all undertakings listed on regulated markets, except micro undertakings, to report detailed sustainability information. In addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level. ***Undertakings that are not established in the European Union but fulfil those criteria and operate in the single market should be subjected to the same requirements in order to account for their sustainability impacts and to provide a level playing field for undertakings established in the EU.***

Or. en

## **Amendment 92**

**Manon Aubry**

### **Proposal for a directive**

#### **Recital 15**

#### *Text proposed by the Commission*

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

#### *Amendment*

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

addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

undertakings listed on regulated markets to report detailed sustainability information. In addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

Or. en

### **Amendment 93**

**Bas Eickhout**

on behalf of the Greens/EFA Group

### **Proposal for a directive**

#### **Recital 15**

#### *Text proposed by the Commission*

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

#### *Amendment*

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively. In view of the growth of users' needs for sustainability information, additional categories of undertakings should be required to report such information. It is therefore appropriate to require all large undertakings, **small and medium** undertakings listed on regulated markets **and other trading venues or carrying out high-risk economic activities**, except micro undertakings to report detailed sustainability information. In addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

Or. en

### **Amendment 94**

**Michiel Hoogeveen**



**Proposal for a directive**  
**Recital 15**

*Text proposed by the Commission*

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

*Amendment*

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively.

Or. en

**Amendment 95**  
**Esther de Lange**

**Proposal for a directive**  
**Recital 15**

*Text proposed by the Commission*

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively. In view of the growth of users' needs for sustainability information,

*Amendment*

(15) Articles 19a and 29a of Directive 2013/34/EU apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively. In view of the growth of users' needs for sustainability information,

additional categories of undertakings should be required to report such information. It is therefore appropriate to require all large undertakings and all undertakings listed on regulated markets, except micro undertakings, to report detailed sustainability information. ***In addition***, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

additional categories of undertakings should be required to report such information. It is therefore appropriate to require all large undertakings and all undertakings listed on regulated markets, except micro undertakings, to report detailed sustainability information. ***Additionally***, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level.

Or. en

**Amendment 96**  
**Michiel Hoogeveen**

**Proposal for a directive**  
**Recital 16**

*Text proposed by the Commission*

*Amendment*

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

***deleted***

Or. en

**Amendment 97**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 16**

*Text proposed by the Commission*

*Amendment*

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

**deleted**

Or. en

#### **Amendment 98**

**Gabriele Bischoff, Aurore Lalucq, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel**

#### **Proposal for a directive**

#### **Recital 16**

*Text proposed by the Commission*

*Amendment*

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

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

Or. en

#### **Amendment 99**

**Manon Aubry**

**Proposal for a directive**  
**Recital 16 a (new)**

*Text proposed by the Commission*

*Amendment*

***(16a) The requirement that small and medium-sized undertakings operating in high-risk sectors should disclose information on sustainability matters is mainly driven by the likelihood and severity of sustainability impacts is higher in some specific sectors and areas, regardless of the size of the undertaking. A high-risk sector is a sector that is associated, as a result of its business and value chain characteristics, with a high likelihood of actual or potential severe impacts on the environment or people. High-risk sectors include for example the extractive industry, the garment industry, the electronic industry, the energy industry, forestry and agricultural supply chains or the gig economy, where small and medium-size undertakings may cause severe social and environmental impacts regardless of their size.***

Or. en

**Amendment 100**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 16 b (new)**

*Text proposed by the Commission*

*Amendment*

***(16b) A list of high-risk sectors is established in Annex I of this Directive. The European Commission should review and modify the list of high-risk sectors by adopting delegated act when necessary and at least every three years. This list should be based on the NACE classification and on existing legislation and guidelines of the European Union, reports of international organisations, international reporting standards, reliable***

*and scientific evidence of higher risks of environmental and social harm. When reviewing the list of high risk-sectors, the European Commission should conduct the necessary consultations with independent experts with due respect to the “Better law making” interinstitutional agreement of the 13th of April 2016. In particular, it should guarantee the equal participation of the European Parliament and of the European Council in preparing the delegated acts. The European Parliament and of the European Council should have access to all documents and all the European Commission’s expert groups’ meetings.*

Or. en

**Amendment 101**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 16 c (new)**

*Text proposed by the Commission*

*Amendment*

*(16c) The requirement that small and medium-sized undertakings operating in high-risk areas should also disclose information on sustainability matters responds to the higher likelihood and greater risk of adverse sustainability impacts in specific geographical areas. A high-risk area is an area that is associated, as a result of its social, political, geopolitical or environmental characteristics, with a high likelihood of actual or potential severe impacts on the environment or people. High-risk areas include conflict-affected areas, areas with low social and environmental protection and areas affected by systemic or recurring human rights violations or environmental damages.*

Or. en

**Amendment 102**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 16 d (new)**

*Text proposed by the Commission*

*Amendment*

***(16d) A list of high-risk areas is established in Annex II of this Directive. The European Commission should review and modify the list of high-risk sectors by adopting delegated act when necessary and at least every three years. This list should be based on existing legislation and guidelines of the European Union, reports of international organisations, international reporting standards, reliable and scientific evidence of higher risks of environmental and social harm. When designing and reviewing the list of high risk-sectors, the European Commission should conduct the necessary consultations with independent experts with due respect to the “Better law making” interinstitutional agreement of the 13th of April 2016. In particular, it should guarantee the equal participation of the European Parliament and of the European Council in preparing the delegated acts. The European Parliament and of the European Council should have access to all documents and all the European Commission’s expert groups’ meetings. It should be reviewed and modified as appropriate and at least every three years.***

Or. en

**Amendment 103**  
**Bas Eickhout**  
on behalf of the Greens/EFA Group

**Proposal for a directive**  
**Recital 17**

*Text proposed by the Commission*

(17) The requirement that undertakings not established in the Union but with securities listed on regulated markets should also disclose information on sustainability matters responds to the needs of financial market participants for information from such undertakings in order to understand the risks and impacts of their investments, and to comply with the disclosure requirements laid down in Regulation (EU) 2019/2088.

*Amendment*

(17) The requirement that undertakings not established in the Union but with securities listed on regulated markets ***or other trading venues*** should also disclose information on sustainability matters responds to the needs of financial market participants for information from such undertakings in order to understand the risks and impacts of their investments, and to comply with the disclosure requirements laid down in Regulation (EU) 2019/2088.

Or. en

**Amendment 104**

**Manon Aubry**

**Proposal for a directive**

**Recital 17 a (new)**

*Text proposed by the Commission*

*Amendment*

***(17a) The requirement that undertakings established in third countries that operate in the European Union also disclose information on sustainability matters is necessary to account for the need of European users, consumers and investors to access information about sustainability matters related to their activities. It is also necessary in order to guarantee a level playing field in the single market between undertakings established in the European Union and third-country undertakings.***

Or. en

**Amendment 105**

**Aurore Lalucq**

**Proposal for a directive**

**Recital 17 a (new)**

*Text proposed by the Commission*

*Amendment*

***(17a) Account should be taken of the specific situation of undertakings which, although not having any legal establishment in the Union, regularly carry out a significant economic activity in it. Such undertakings should be subject to the same obligations as those established in the territory of the Union.***

Or. en

## **Amendment 106**

**Markus Ferber**

### **Proposal for a directive**

#### **Recital 18**

*Text proposed by the Commission*

*Amendment*

***(18) Considering the growing relevance of sustainability-related risks and taking into account that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure***

***deleted***



*requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.*

Or. en

**Amendment 107**  
**Michiel Hoogeveen**

**Proposal for a directive**  
**Recital 18**

*Text proposed by the Commission*

(18) *Considering the growing relevance of sustainability-related risks and taking into account that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore*

*Amendment*

(18) *SMEs should be exempted from additional requirements to disclose information on sustainability matters,*

*help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.*

Or. en

**Amendment 108**  
**Gunnar Beck**

**Proposal for a directive**  
**Recital 18**

*Text proposed by the Commission*

(18) Considering the **growing relevance of sustainability-related risks and taking into account that** small and medium-sized enterprises (SMEs) **listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in**

*Amendment*

(18) Considering the **impact of the regional and national lockdown measures following the COVID 19 pandemic, especially on** small and medium-sized enterprises (SMEs) it is appropriate to **exempt SMEs from** disclose requirements

*order to ensure investor protection* it is appropriate to *require that also those SMEs* disclose information on sustainability matters. *The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088.* SMEs listed on regulated markets *should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic.* They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs *can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.*

*for information on sustainability matters, until COVID is defeated. At a later stage, the SME exemption may be phased out for those SMEs listed on regulated markets, provided they are granted sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs shall be exempt from reporting requirements.*

Or. en

**Amendment 109**  
**Manon Aubry**

## Proposal for a directive

### Recital 18

#### *Text proposed by the Commission*

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

#### *Amendment*

(18) Considering the growing relevance of sustainability-related risks and taking into account that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. ***A timeline should be set for non-listed SMEs to apply*** these proportionate standards. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.

could reasonably request from SME suppliers and clients in their value chains.

Or. en

## **Amendment 110**

**Bas Eickhout**

on behalf of the Greens/EFA Group

### **Proposal for a directive**

#### **Recital 18**

##### *Text proposed by the Commission*

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

##### *Amendment*

(18) **The** relevance of sustainability-related risks **is growing** and small and medium-sized enterprises (SMEs) **represent over 99 per cent of** undertakings **and employ 65 percent of all employees** in the Union. **Therefore**, in order to ensure investor protection **and positive social and environmental impacts of their business operations as well as to achieve the Union's ambitious environmental, climate and social objectives**, it is appropriate to require that also SMEs disclose information on sustainability matters. **The reporting standards are not only necessary but also useful and constitute an opportunity for companies to demonstrate their commitment to the ecological and social sustainability and the establishment of leading standards and thereby feed into their competitive advantage.** The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the

*economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.*

information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs should, however, be given the possibility to report *in a way and format* according to standards that are proportionate to *their* capacities and resources.

Or. en

#### Amendment 111

**Gabriele Bischoff, Aurore Lalucq, Paul Tang, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### Proposal for a directive

#### Recital 18

##### *Text proposed by the Commission*

(18) Considering the growing relevance of sustainability-related risks and taking into account that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the

##### *Amendment*

(18) Considering the growing relevance of sustainability-related risks and taking into account that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection *as well as due diligence with regard to the environment and human rights* it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of

information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.

this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their *supply and* value chains.

Or. en

## **Amendment 112**

### **Esther de Lange**

#### **Proposal for a directive**

#### **Recital 18**

##### *Text proposed by the Commission*

(18) **Considering** the growing relevance of sustainability-related risks and **taking into account** that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this

##### *Amendment*

(18) **Taking into account** the growing relevance of sustainability-related risks and **considering** that small and medium-sized enterprises (SMEs) listed on regulated markets comprise a significant proportion of all listed undertakings in the Union, in order to ensure investor protection it is appropriate to require that also those SMEs disclose information on sustainability matters. The introduction of this

requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.

requirement will help to ensure that financial market participants can include smaller listed undertakings in investment portfolios on the basis that they report the sustainability information that financial market participants need. It will therefore help to protect and enhance the access of smaller listed undertakings to financial capital, and avoid discrimination against such undertakings on the part of financial market participants. The introduction of this requirement is also necessary to ensure that financial market participants have the information they need from investee undertakings to be able to comply with their own sustainability disclosure requirements laid down in Regulation (EU) 2019/2088. SMEs listed on regulated markets should, however, be provided with sufficient time to prepare for the application of the requirement to report sustainability information, due to their smaller size and more limited resources, and taking account of the difficult economic circumstances created by the COVID-19 pandemic. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs. Non-listed SMEs can also choose to use these proportionate standards on a voluntary basis. The SME standards will set a reference for undertakings that are within the scope of the Directive regarding the level of sustainability information that they could reasonably request from SME suppliers and clients in their value chains.

Or. en

**Amendment 113**  
**Aurore Lalucq**

**Proposal for a directive**  
**Recital 18 a (new)**



***(18a) Certain sectors of economic activity are recognised as posing particularly significant sustainability risks. In order to ensure that this directive can also apply to such high-risk sectors of economic activity they should be defined and the power to adopt a delegated act in accordance with Article 290 of the Treaty on the Functioning of the European Union in respect of establishing a list of high-risk sectors of economic activity should be delegated to the Commission. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. In particular, to ensure their equal participation in the preparation of delegated acts, Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. Medium sized undertakings carrying out a high risk economic activity should also be subject to sustainability reporting obligations.***

Or. en

**Amendment 114**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 19**

*Text proposed by the Commission*

(19) Directive 2004/109/EC of the European Parliament and of the Council<sup>49</sup> applies to all undertakings with securities listed on regulated markets. In order to ensure that all undertakings with securities listed on regulated markets, including third

*Amendment*

(19) Directive 2004/109/EC of the European Parliament and of the Council<sup>49</sup> applies to all undertakings with securities listed on regulated **markets and SME Growth** markets. In order to ensure that all undertakings with securities listed on

country issuers, fall under the same sustainability reporting requirements, Directive 2004/109/EC should contain the necessary cross-references to any requirement on sustainability reporting in the annual financial report.

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<sup>49</sup> Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).

regulated markets, including third country issuers, fall under the same sustainability reporting requirements, Directive 2004/109/EC should contain the necessary cross-references to any requirement on sustainability reporting in the annual financial report.

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<sup>49</sup> Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).

Or. en

## **Amendment 115**

**Bas Eickhout**

on behalf of the Greens/EFA Group

### **Proposal for a directive**

#### **Recital 21**

##### *Text proposed by the Commission*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, ***and to bring transparency about which is the parent undertaking of the exempted subsidiary undertaking which is reporting at consolidated level. It is therefore necessary to require those subsidiary undertakings to publish the consolidated management report of their parent***

##### *Amendment*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, ***including with regard to subsidiaries.***

*undertaking and to include a reference in their management report to the fact that they are exempted from reporting sustainability information. That exemption should also apply where the parent undertaking reporting at consolidated level is a third country undertaking reporting sustainability information in accordance with the requirements of this Directive or in a manner equivalent to EU sustainability reporting standards.*

Or. en

#### **Amendment 116**

**Gabriele Bischoff, Aurore Lalucq, Paul Tang, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel**

#### **Proposal for a directive Recital 21**

##### *Text proposed by the Commission*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, **and to bring transparency about which is the parent undertaking of the exempted subsidiary undertaking which is reporting at consolidated level. It is therefore necessary to require those subsidiary undertakings to publish the consolidated management report of their parent undertaking and to include a reference in their management report to the fact that they are exempted from reporting sustainability information. That exemption should also apply where the**

##### *Amendment*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users **for the whole undertaking and its subsidiaries. In this regard, the reports made by subsidiary undertakings should be added to the undertakings' own report to generate an aggregate, public overview country-by-country similar to the transparency requirements set out in the public-Country-by-Country Directive.**

*parent undertaking reporting at consolidated level is a third country undertaking reporting sustainability information in accordance with the requirements of this Directive or in a manner equivalent to EU sustainability reporting standards.*

Or. en

## Amendment 117

Dragoş Pîslaru, Olivier Chastel, Billy Kelleher

### Proposal for a directive

#### Recital 21

##### *Text proposed by the Commission*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, and to bring transparency about ***which is the parent undertaking*** of the ***exempted subsidiary undertaking which is reporting at consolidated level***. It is therefore necessary to require those subsidiary undertakings to publish ***the consolidated management report of their parent undertaking and to include a reference in their management report to the fact that they are exempted from reporting sustainability information***. ***That exemption should also apply where the parent undertaking reporting at consolidated level is a third country undertaking reporting sustainability information in accordance with the requirements of this Directive or in a manner equivalent to EU sustainability***

##### *Amendment*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, ***as defined in the aforementioned directive***, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, and to bring transparency about ***the activities of all the undertakings covered by the scope of the directive***. It is therefore necessary to require those subsidiary undertakings to publish ***a management report containing information on sustainability***. ***The absence of an exemption does not affect the possibility for a parent undertaking to pool costs and resources with its subsidiaries in order for them to fulfil their obligations concerning sustainability reporting and auditing of sustainability reporting***. ***Nor does it affect the possibility for parent undertakings to produce a consolidated management report***.

*reporting standards.*

Or. en

## **Amendment 118**

**Manon Aubry**

### **Proposal for a directive**

#### **Recital 21**

*Text proposed by the Commission*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, and to bring transparency about ***which is the parent undertaking of the exempted subsidiary undertaking which is reporting at consolidated level.*** It is therefore necessary to require those subsidiary undertakings to publish ***the consolidated management report of their parent undertaking and to include a reference in their management report to the fact that they are exempted from reporting sustainability information. That exemption should also apply where the parent undertaking reporting at consolidated level is a third country undertaking reporting sustainability information in accordance with the requirements of this Directive or in a manner equivalent to EU sustainability reporting standards.***

*Amendment*

(21) Articles 19a(3) and 29a(3) of Directive 2013/34/EU currently exempt all subsidiary undertakings from the obligation to report non-financial information where such undertakings and their subsidiary undertakings are included in the consolidated management report of their parent undertaking, ***as defined in the aforementioned directive,*** provided this includes the required non-financial information. It is necessary, however to ensure that sustainability information is easily accessible for users, and to bring transparency about ***the activities of all the undertakings covered by the scope of the directive.*** It is therefore necessary to require those subsidiary undertakings to publish ***a consolidated management report of containing information on sustainability matters. The absence of an exemption does not affect the possibility for a parent undertaking to pool costs and resources with its subsidiaries in order for them to fulfil their obligations concerning sustainability reporting and auditing of sustainability reporting. Nor does it affect the possibility for parent undertakings to produce a consolidated management report.***

Or. en

## **Amendment 119**

**Manon Aubry**

### **Proposal for a directive**

#### **Recital 22**

*Text proposed by the Commission*

*Amendment*

**(22) Article 23 of Directive 2013/34/EU** *deleted*  
**exempts parent undertakings from the obligation to prepare consolidated financial statements and a consolidated management report where those undertakings are subsidiaries of another parent undertaking that complies with that obligation. It should be specified, however, that the exemption regime for consolidated financial statements and consolidated management reports operates independently from the exemption regime for consolidated sustainability reporting. An undertaking can therefore be exempted from consolidated financial reporting obligations but not exempted from consolidated sustainability reporting obligations where its ultimate parent prepares consolidated financial statements and consolidated management reports in accordance with Union law, or in accordance with equivalent requirements if the undertaking is established in a third country, but does not prepare consolidated sustainability reporting in accordance with EU law, or in accordance with equivalent requirements if the undertaking is established in a third country.**

Or. en

## **Amendment 120**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher**

### **Proposal for a directive**

#### **Recital 22**

*Text proposed by the Commission*

*Amendment*

**(22)** *Article 23 of Directive 2013/34/EU exempts parent undertakings from the obligation to prepare consolidated financial statements and a consolidated management report where those undertakings are subsidiaries of another parent undertaking that complies with that obligation. It should be specified, however, that the exemption regime for consolidated financial statements and consolidated management reports operates independently from the exemption regime for consolidated sustainability reporting. An undertaking can therefore be exempted from consolidated financial reporting obligations but not exempted from consolidated sustainability reporting obligations where its ultimate parent prepares consolidated financial statements and consolidated management reports in accordance with Union law, or in accordance with equivalent requirements if the undertaking is established in a third country, but does not prepare consolidated sustainability reporting in accordance with EU law, or in accordance with equivalent requirements if the undertaking is established in a third country.* **deleted**

Or. en

**Amendment 121**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 23**

*Text proposed by the Commission*

*Amendment*

**(23)** *Credit institutions and insurance undertakings play a key role in the transition towards a fully sustainable and inclusive economic and financial system* **deleted**

*in line with the European Green Deal. They can have significant positive and negative impacts via their lending, investment and underwriting activities. Credit institutions and insurance undertakings other than those that are required to comply with Directive 2013/34/EU, including cooperatives and mutual undertakings, should therefore be subject to sustainability reporting requirements provided that they meet certain size criteria. Users of that information would thus be enabled to assess both the impacts of these undertakings on society and the environment and the risks arising from sustainability matters that these undertakings could face. To ensure coherence with the reporting requirements of Council Directive 86/635/EEC<sup>50</sup> on the annual accounts and consolidated accounts of banks and other financial institutions, sustainability reporting Member States may choose not to apply sustainability reporting requirements to credit institutions listed in Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council<sup>51</sup>.*

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<sup>50</sup> Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

<sup>51</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

Or. en



## Amendment 122

Jessica Stegrud

### Proposal for a directive

#### Recital 23

*Text proposed by the Commission*

(23) Credit institutions and insurance undertakings play a key role in the transition towards a fully sustainable and inclusive economic and financial system ***in line with the European Green Deal***. They can have significant positive and negative impacts via their lending, investment and underwriting activities. ***Credit institutions and insurance undertakings other than those that are required to comply with Directive 2013/34/EU, including cooperatives and mutual undertakings, should therefore be subject to sustainability reporting requirements provided that they meet certain size criteria. Users of that information would thus be enabled to assess both the impacts of these undertakings on society and the environment and the risks arising from sustainability matters that these undertakings could face. To ensure coherence with the reporting requirements of Council Directive 86/635/EEC<sup>50</sup> on the annual accounts and consolidated accounts of banks and other financial institutions, sustainability reporting Member States may choose not to apply sustainability reporting requirements to credit institutions listed in Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council<sup>51</sup>.***

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<sup>50</sup> Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

<sup>51</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit

*Amendment*

(23) Credit institutions and insurance undertakings play a key role in the transition towards a fully sustainable and inclusive economic and financial system. They can have ***a*** significant positive and negative impacts via their lending, investment and underwriting activities. ***However, it is not appropriate to attempt to “defund” crucial parts of the industrial infrastructure and financial institutions should not be pressurised to do so by political measures.***

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<sup>50</sup> Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

<sup>51</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit

institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

Or. en

## **Amendment 123** **Jessica Polfjärd**

### **Proposal for a directive** **Recital 23**

#### *Text proposed by the Commission*

(23) Credit institutions and insurance undertakings play a key role in the transition towards a fully sustainable and inclusive economic and financial system in line with the European Green Deal. They can have significant positive and negative impacts via their lending, investment and underwriting activities. Credit institutions and insurance undertakings other than those that are required to comply with Directive 2013/34/EU, including cooperatives and mutual undertakings, should therefore be subject to sustainability reporting requirements provided that they meet certain size criteria. Users of that information would thus be enabled to assess both the impacts of these undertakings on society and the environment and the risks arising from sustainability matters that these undertakings could face. To ensure coherence with the reporting requirements of Council Directive 86/635/EEC<sup>50</sup> on the annual accounts and consolidated accounts of banks and other financial institutions, sustainability reporting Member States may choose not to apply sustainability reporting requirements to credit institutions listed in Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council<sup>51</sup>.

#### *Amendment*

(23) Credit institutions and insurance undertakings play a key role in the transition towards a fully sustainable and inclusive economic and financial system in line with the European Green Deal. They can have significant positive and negative impacts via their lending, investment and underwriting activities. Credit institutions and insurance undertakings other than those that are required to comply with Directive 2013/34/EU, including cooperatives and mutual undertakings, should therefore be subject to sustainability reporting requirements provided that they meet certain size criteria. Users of that information would thus be enabled to assess both the impacts of these undertakings on society and the environment and the risks arising from sustainability matters that these undertakings could face. To ensure coherence with the reporting requirements of Council Directive 86/635/EEC<sup>50</sup> on the annual accounts and consolidated accounts of banks and other financial institutions, sustainability reporting Member States may choose not to apply sustainability reporting requirements to credit institutions listed in Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council<sup>51</sup> **as well as ‘small and non-complex institutions’ as defined in**

**Article 4 (1) point (145) of  
Regulation(EU) No 575/2013.**

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<sup>50</sup> Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

<sup>51</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

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<sup>50</sup> Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

<sup>51</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

Or. en

**Amendment 124  
Markus Ferber**

**Proposal for a directive  
Recital 24**

*Text proposed by the Commission*

(24) The list of sustainability matters on which undertakings are required to report should be ***as coherent as possible*** with the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088. That list should also correspond to the needs and expectations of users and undertakings themselves, ***who often use the terms ‘environmental’, ‘social’ and ‘governance’ as a means to categorise the three main sustainability matters. The list of sustainability factors laid down in Regulation (EU) 2019/2088 does not explicitly include governance matters. The definition of sustainability matters in Directive 2013/34/EU should therefore be based on the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088, but with the addition of***

*Amendment*

(24) The list of sustainability matters on which undertakings are required to report should be ***aligned*** with the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088. That list should also correspond to the needs and expectations of users and undertakings themselves.

**Amendment 125**

**Gabriele Bischoff, Aurore Lalucq, Alfred Sant, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

**Proposal for a directive**

**Recital 24**

*Text proposed by the Commission*

(24) The list of sustainability matters on which undertakings are required to report should be as coherent as possible with the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088. That list should also correspond to the needs and expectations of users and undertakings themselves, who often use the terms ‘environmental’, ‘social’ and ‘governance’ as a means to categorise the three main sustainability matters. The list of sustainability factors laid down in Regulation (EU) 2019/2088 does not explicitly include governance matters. The definition of sustainability matters in Directive 2013/34/EU should therefore be based on the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088, but with the addition of governance matters.

*Amendment*

(24) The list of sustainability matters on which undertakings are required to report should be as coherent as possible with the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088. That list should also correspond to the needs and expectations of users and undertakings themselves, who often use the terms ‘environmental’, ‘social’ and ‘governance’ as a means to categorise the three main sustainability matters. The list of sustainability factors laid down in Regulation (EU) 2019/2088 does not explicitly include governance matters. The definition of sustainability matters in Directive 2013/34/EU should therefore be based on the definition of ‘sustainability factors’ laid down in Regulation (EU) 2019/2088, but with the addition of governance matters. ***The list is a minimum requirement, which will not lower existing national reporting requirements.***

**Amendment 126**

**Manon Aubry**

**Proposal for a directive**

**Recital 24 a (new)**

***(24a) To enable the use of corporate sustainability information defined in this Directive for incentives in the context of the EU public procurement directives and State Aid measures, Directive 2013/34/EU should be amended to foresee an evaluation mechanism (including indicators) as part of the sustainability reporting that allows for a quantitative rating of the sustainability performance of undertakings.***

Or. en

### **Amendment 127**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Nicola Beer, Billy Kelleher**

### **Proposal for a directive**

#### **Recital 25**

*Text proposed by the Commission*

(25) Articles 19a and 29a of Directive 2013/34/EU require reporting not only on information ‘to the extent necessary for an understanding of the undertaking's development, performance, position’, but also on information necessary for an understanding of the impact of the undertaking’s activities on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters. Those articles therefore require undertakings to report both on how various sustainability matters affect the undertaking, and on the impacts of the activities of the undertaking on people and the environment. That is referred to as the double-materiality perspective, in which the risks to the undertaking and the impacts of the undertaking each represent one materiality perspective. The fitness check on corporate reporting shows that those two perspectives are often not well

*Amendment*

(25) Articles 19a and 29a of Directive 2013/34/EU require reporting not only on information ‘to the extent necessary for an understanding of the undertaking's development, performance, position’, but also on information necessary for an understanding of the impact of the undertaking’s activities on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters. Those articles therefore require undertakings to report both on how various sustainability matters affect the undertaking, and on the impacts of the activities of the undertaking on people and the environment. That is referred to as the double-materiality perspective, in which the risks to the undertaking and the impacts of the undertaking each represent one materiality perspective. The fitness check on corporate reporting shows that those two perspectives are often not well

understood or applied. It is therefore necessary to clarify that undertakings should consider each materiality perspective in its own right, and should disclose information that is material from both perspectives as well as information that is material from only one perspective.

understood or applied. It is therefore necessary to clarify that undertakings should consider each materiality perspective in its own right, and should disclose information that is material from both perspectives as well as information that is material from only one perspective, ***bearing in mind that double-materiality is fundamental for understanding a company's long-term value creation.***

Or. en

## **Amendment 128**

**Gunnar Beck, Charlie Weimers**

### **Proposal for a directive**

#### **Recital 26**

##### *Text proposed by the Commission*

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

##### *Amendment*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information consider relevant, some of which align with disclosures included in international frameworks. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

*sustainability matters, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; any opportunities for the undertaking arising from sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any sustainability targets set by the undertaking and the progress made towards achieving them; the role of the board and management with regard to sustainability matters; the principal actual and potential adverse impacts connected with the undertaking's activities; and how the undertaking has identified the information that they report on.* Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

Or. en

**Amendment 129**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 26**

*Text proposed by the Commission*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information

*Amendment*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information

consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. ***In addition to the reporting areas identified in Articles 19a(1) and 29a(1) of Directive 2013/34/EU, undertakings should therefore be required to disclose information about their business strategy and the resilience of the business model and strategy to risks related to sustainability matters, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; any opportunities for the undertaking arising from sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any sustainability targets set by the undertaking and the progress made towards achieving them; the role of the board and management with regard to sustainability matters; the principal actual and potential adverse impacts connected with the undertaking's activities; and how the undertaking has identified the information that they report on.*** Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

Or. en

**Amendment 130**  
**Manon Aubry**



**Proposal for a directive**  
**Recital 26**

*Text proposed by the Commission*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. In addition to the reporting areas identified in Articles 19a(1) and 29a(1) of Directive 2013/34/EU, undertakings should therefore be required to disclose information about their business strategy and the resilience of the business model and strategy to risks related to sustainability matters, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; any opportunities for the undertaking arising from sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any sustainability targets set by the undertaking **and** the progress made towards achieving them; the role of the board and management with regard to sustainability matters; the principal actual and potential adverse impacts connected with the

*Amendment*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. In addition to the reporting areas identified in Articles 19a(1) and 29a(1) of Directive 2013/34/EU, undertakings should therefore be required to disclose information about their business strategy and the resilience of the business model and strategy to risks related to sustainability matters, ***the assessment by the undertaking of its impacts on sustainability matters, any plans they may have to ensure that their business model and strategy respect workers' rights and potentially affected communities***, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; ***whether and how sustainability matters and related targets, in connection with principal risks, opportunities, and severe impacts, have been integrated into the undertaking's strategy***, any opportunities ***and risks*** for the undertaking arising from

undertaking's activities; and how the undertaking has identified the information that they report on. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any ***science-based and time-bound short-term, mid-term and long-term*** sustainability targets set by the undertaking, ***and a description of the investments, actions and policies adopted to achieve those targets and of the*** progress made towards achieving them; the role of the board and management with regard to sustainability matters; the ***due diligence process implemented with regard to sustainability matters, the*** principal actual and potential adverse impacts connected with the undertaking's activities; ***the negative or positive effects of the undertaking's business practices, policies and decisions on the identified impacts***; and how the undertaking has identified the information that they report on. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

Or. en

## Amendment 131

Alfred Sant

### Proposal for a directive

#### Recital 26

*Text proposed by the Commission*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information

*Amendment*

(26) Articles 19a(1) and 29a(1) of Directive 2013/34/EU require undertakings to disclose information about five reporting areas: business model, policies (including due diligence processes implemented), the outcome of those policies, risks and risk management, and key performance indicators relevant to the business. Article 19a(1) of Directive 2013/34/EU does not contain explicit references to other reporting areas that users of information

consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. In addition to the reporting areas identified in Articles 19a(1) and 29a(1) of Directive 2013/34/EU, undertakings should therefore be required to disclose information about their business strategy and the resilience of the business model and strategy to risks related to sustainability matters, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; any opportunities for the undertaking arising from sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any sustainability targets set by the undertaking and the progress made towards achieving them; the role of the board and management with regard to sustainability matters; the principal actual and potential adverse impacts connected with the undertaking's activities; and how the undertaking has identified the information that they report on. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary.

consider relevant, some of which align with disclosures included in international frameworks, including the recommendations of the Task Force on Climate-related Financial Disclosures. Disclosure requirements should be specified in sufficient detail to ensure that undertakings report information on their resilience to risks related to sustainability matters. In addition to the reporting areas identified in Articles 19a(1) and 29a(1) of Directive 2013/34/EU, undertakings should therefore be required to disclose information about their business strategy and the resilience of the business model and strategy to risks related to sustainability matters, any plans they may have to ensure that their business model and strategy are compatible with the transition to a sustainable and climate-neutral economy; whether and how their business model and strategy take account of the interests of stakeholders; any opportunities for the undertaking arising from sustainability matters; the implementation of the aspects of the business strategy which affect, or are affected by sustainability matters; any sustainability targets set by the undertaking and the progress made towards achieving them; the role of the board and management with regard to sustainability matters; the principal actual and potential adverse impacts connected with the undertaking's activities; and how the undertaking has identified the information that they report on. Once the disclosure of elements such as targets and the progress towards achieving them is required, the separate requirement to disclose the outcomes of policies is no longer necessary. ***In order to protect the competitiveness of enterprises, the information needs to be provided at an aggregated level.***

Or. en

**Amendment 132**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 27**

*Text proposed by the Commission*

*Amendment*

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

*deleted*

Or. en

**Amendment 133**  
**Jessica Polfjärd**

**Proposal for a directive**  
**Recital 27**

*Text proposed by the Commission*

*Amendment*

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

**deleted**

*Justification*

*Due diligence should be covered by the upcoming Sustainable Corporate Governance Commission Proposal. Otherwise, due diligence obligations would need to be included in reporting before the standards are clear, which prevents legal certainty.*

**Amendment 134**

**Gabriele Bischoff, Aurore Lalucq, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

**Proposal for a directive****Recital 27***Text proposed by the Commission*

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

*Amendment*

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, prevent, mitigate and remediate the principal actual and potential adverse impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking's activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking's ***supply and*** value chain. The due diligence process, ***that should be aligned with the SDGs and Union policy objectives in the field of human rights and the environment, including the European Green Deal, and the commitment to reduce greenhouse gas emissions by at least 55% by 2030,*** concerns the whole value chain of the undertaking including its own operations, its products and services, its business relationships and its supply

gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking's activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

Or. en

**Amendment 135**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 27**

*Text proposed by the Commission*

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, prevent, mitigate and remediate the principal actual and potential adverse impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking's activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking's value chain. The due diligence process concerns the whole value chain of the undertaking including its own operations, its products and services, its

*Amendment*

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, **assess**, prevent, mitigate, **cease, monitor, communicate, account for, address** and remediate the principal actual and potential adverse impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking's activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking's value chain. The due diligence process concerns the whole value chain of the

business relationships and its supply chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking's activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

undertaking including its own operations, its products and services, its business relationships and its supply chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking's activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

Or. en

## **Amendment 136**

**Dragoş Pîslaru, Olivier Chastel, Nicola Beer, Billy Kelleher**

### **Proposal for a directive**

#### **Recital 27**

##### *Text proposed by the Commission*

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, prevent, mitigate and remediate the principal actual and potential adverse impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking's activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking's value chain. The due

##### *Amendment*

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence disclosure requirements should be specified in greater detail than is the case in Article 19a(1), point (b), and Article 29a(1), point (b) of Directive 2013/34/EU. Due diligence is the process that undertakings carry out to identify, prevent, mitigate and remediate the principal actual and potential adverse impacts connected with their activities and identifies how they address those adverse impacts. Impacts connected with an undertaking's activities include impacts directly caused by the undertaking, impacts to which the undertaking contributes, and impacts which are otherwise linked to the undertaking's value chain. The



diligence process concerns the whole value chain of the undertaking including its own operations, its products and services, its business relationships and its supply chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking's activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.

***Transparent project provides the methodology for impact measurement and valuation across the entire value chain.***

***The due diligence process concerns the whole value chain of the undertaking including its own operations, its products and services, its business relationships and its supply chains. In alignment with the UN Guiding Principles on Business and Human Rights, an actual or potential adverse impact is to be considered principal where it measures among the greatest impacts connected with the undertaking's activities based on: the gravity of the impact on people or the environment; the number of individuals that are or could be affected, or the scale of damage to the environment; and the ease with which the harm could be remediated, restoring the environment or affected people to their prior state.***

Or. en

**Amendment 137**  
**Michiel Hoogeveen**

**Proposal for a directive**  
**Recital 28**

*Text proposed by the Commission*

***(28) Directive 2013/34/EU does not require the disclosure of information on intangibles other than intangible assets recognised in the balance sheet. It is widely recognised that information on intangible assets and other intangible factors, including internally-generated intangibles, is underreported, impeding the proper assessment of an undertaking's development, performance and position and monitoring of investments. To enable investors to better understand the increasing gap between the accounting book value of many undertakings and their market valuation, which is observed in many sectors of the economy, adequate reporting on intangibles should be***

*Amendment*

***deleted***

*required. It is therefore necessary to require undertakings to disclose information on intangibles other than intangible assets recognised in the balance sheet, including intellectual capital, human capital, including skills development, and social and relationship capital, including reputation capital. Information on intangibles should also include information related to research and development.*

Or. en

**Amendment 138**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 28**

*Text proposed by the Commission*

*Amendment*

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

*deleted*

*include information related to research and development.*

Or. en

#### **Amendment 139**

**Jessica Stegrud**

#### **Proposal for a directive**

#### **Recital 28**

##### *Text proposed by the Commission*

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

##### *Amendment*

(28) Directive 2013/34/EU does not require the disclosure of information on intangibles other than intangible assets recognised in the balance sheet. It is widely recognised that information on intangible assets and other intangible factors, including internally-generated intangibles, is underreported, impeding the proper assessment of an undertaking's development, performance and position and monitoring of investments.

Or. en

#### **Amendment 140**

**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 29**

*Text proposed by the Commission*

*Amendment*

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

**deleted**

Or. en

**Amendment 141**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 29**

*Text proposed by the Commission*

*Amendment*

**(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or information**

**deleted**

*about past performance. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value. Articles 19a and 29a of Directive 2013/34/EU should therefore specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and quantitative information. Reported sustainability information should also take into account short, medium and long-term time horizons and contain information about the undertaking's whole value chain, including its own operations, its products and services, its business relationships, and its supply chain, as appropriate. Information about the undertaking's whole value chain would include information related to its value chain within the EU and information that covers third countries if the undertaking's value chain extends outside the EU.*

Or. en

**Amendment 142**  
**Jessica Polfjärd**

**Proposal for a directive**  
**Recital 29**

*Text proposed by the Commission*

(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or information **about past performance**. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value. Articles 19a and 29a of Directive 2013/34/EU should therefore specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and quantitative information. Reported sustainability information should also take

*Amendment*

(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or information **retrospective**. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value, **but might be sensitive from a perspective of business confidentiality**. Articles 19a and 29a of Directive 2013/34/EU should therefore specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and

into account short, medium and long-term time horizons **and contain information about the undertaking's whole value chain, including its own operations, its products and services, its business relationships, and its supply chain, as appropriate. Information about the undertaking's whole value chain would include information related to its value chain within the EU and information that covers third countries if the undertaking's value chain extends outside the EU.**

quantitative information, **while not endangering the commercial position of the undertaking.** Reported sustainability information should also take into account short, medium and long-term time horizons.

Or. en

### Amendment 143 Othmar Karas

#### Proposal for a directive Recital 29

##### *Text proposed by the Commission*

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

##### *Amendment*

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

that covers third countries if the undertaking's value chain extends outside the EU.

Or. en

**Amendment 144**  
**Nicola Beer, Caroline Nagtegaal**

**Proposal for a directive**  
**Recital 29**

*Text proposed by the Commission*

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

*Amendment*

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

*Justification*

*Clarifying that provided information on commercial position should not undermine competitiveness for reporting companies and may not present unproportionable liabilities for auditors which could prevent them from exercising their duties.*

**Amendment 145**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Nicola Beer, Billy Kelleher**

**Proposal for a directive****Recital 29***Text proposed by the Commission*

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

*Amendment*

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



**Amendment 146**  
**Alfred Sant**

**Proposal for a directive**  
**Recital 29**

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

**Amendment 147**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 29**

*Text proposed by the Commission*

(29) Articles 19a(1) and 29a(1) of

*Amendment*

(29) Articles 19a(1) and 29a(1) of

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

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

Or. en

## **Amendment 148** **Sirpa Pietikäinen**

### **Proposal for a directive** **Recital 29**

#### *Text proposed by the Commission*

(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or information about past performance. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value. Articles 19a and 29a of Directive 2013/34/EU should therefore

#### *Amendment*

(29) Articles 19a(1) and 29a(1) of Directive 2013/34/EU do not specify whether the information to be reported is to be forward looking or information about past performance. There is currently a lack of forward-looking disclosures, which users of sustainability information especially value. Articles 19a and 29a of Directive 2013/34/EU should therefore

specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and quantitative information. Reported sustainability information should also take into account short, medium and long-term time horizons and contain information about the undertaking's whole value chain, including its own operations, its products and services, its business relationships, and its supply chain, as appropriate. Information about the undertaking's whole value chain would include information related to its value chain within the EU and information that covers third countries if the undertaking's value chain extends outside the EU.

specify that the sustainability information reported shall include forward-looking and retrospective, and both qualitative and quantitative information ***that is based on science based harmonised, comparable and uniform indicators and consistent with the harmonised life cycle assessment.*** Reported sustainability information should also take into account short, medium and long-term time horizons and contain information about the undertaking's whole value chain, including its own operations, its products and services, its business relationships, and its supply chain, as appropriate. Information about the undertaking's whole value chain would include information related to its value chain within the EU and information that covers third countries if the undertaking's value chain extends outside the EU.

Or. en

**Amendment 149**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 32**

*Text proposed by the Commission*

(32) Undertakings under the scope of Articles 19a(1) and 29a(1) of Directive 2013/34/EU may rely on national, Union-based or international reporting frameworks, and where they do so, they have to specify which frameworks they relied upon. However, Directive 2013/34/EU does not require undertakings to use a common reporting framework or standard, and it does not prevent undertakings from choosing not to use any reporting framework or standards at all. As required by Article 2 of Directive 2014/95/EU, the Commission published in 2017 non-binding guidelines for undertakings under the scope of that

*Amendment*

(32) Undertakings under the scope of Articles 19a(1) and 29a(1) of Directive 2013/34/EU may rely on national, Union-based or international reporting frameworks, and where they do so, they have to specify which frameworks they relied upon. However, Directive 2013/34/EU does not require undertakings to use a common reporting framework or standard, and it does not prevent undertakings from choosing not to use any reporting framework or standards at all. As required by Article 2 of Directive 2014/95/EU, the Commission published in 2017 non-binding guidelines for undertakings under the scope of that

Directive<sup>52</sup>. ***In 2019, the Commission published additional guidelines, specifically on reporting climate-related information<sup>53</sup>. The climate reporting guidelines explicitly incorporated the recommendations of the Task Force on Climate-related Financial Disclosures.***

Available evidence indicates that those non-binding guidelines did not have a significant impact on the quality of non-financial reporting by undertakings under the scope of Articles 19a and 29a of Directive 2013/34/EU. ***The voluntary nature of the guidelines means that undertakings are free to apply them or not. The guidelines can therefore not ensure on their own the comparability of information disclosed by different undertakings or the disclosure of all information that users consider relevant. That is why there is a need for mandatory common reporting standards to ensure that information is comparable and that all relevant information is disclosed. Building on the double-materiality principle, standards should cover all information that is material to users. Common reporting standards are also necessary to enable the audit and digitalisation of sustainability reporting and to facilitate its supervision and enforcement. The development of mandatory common sustainability reporting standards is necessary to progress to a situation in which sustainability information has a status comparable to that of financial information.***

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<sup>52</sup> Communication from the Commission Guidelines on non-financial reporting (methodology for reporting non-financial information) (C/2017/4234).

<sup>53</sup> Communication from the Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information (C/2019/4490).

Directive<sup>52</sup>. Available evidence indicates that those non-binding guidelines did not have a significant impact on the quality of non-financial reporting by undertakings under the scope of Articles 19a and 29a of Directive 2013/34/EU.

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<sup>52</sup> Communication from the Commission Guidelines on non-financial reporting (methodology for reporting non-financial information) (C/2017/4234).

<sup>53</sup> Communication from the Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information (C/2019/4490).

**Amendment 150****Jessica Stegrud****Proposal for a directive****Recital 32***Text proposed by the Commission*

(32) Undertakings under the scope of Articles 19a(1) and 29a(1) of Directive 2013/34/EU may rely on national, Union-based or international reporting frameworks, and where they do so, they have to specify which frameworks they relied upon. However, Directive 2013/34/EU does not require undertakings to use a common reporting framework or standard, and it does not prevent undertakings from choosing not to use any reporting framework or standards at all. As required by Article 2 of Directive 2014/95/EU, the Commission published in 2017 non-binding guidelines for undertakings under the scope of that Directive<sup>52</sup>. In 2019, the Commission published additional guidelines, specifically on reporting climate-related information<sup>53</sup>. The climate reporting guidelines explicitly incorporated the recommendations of the Task Force on Climate-related Financial Disclosures. Available evidence indicates that those non-binding guidelines did not have a significant impact on the quality of non-financial reporting by undertakings under the scope of Articles 19a and 29a of Directive 2013/34/EU. The voluntary nature of the guidelines means that undertakings are free to apply them or not. ***The guidelines can therefore not ensure on their own the comparability of information disclosed by different undertakings or the disclosure of all information that users consider relevant. That is why there is a need for mandatory common reporting standards to ensure***

*Amendment*

(32) Undertakings under the scope of Articles 19a(1) and 29a(1) of Directive 2013/34/EU may rely on national, Union-based or international reporting frameworks, and where they do so, they have to specify which frameworks they relied upon. However, Directive 2013/34/EU does not require undertakings to use a common reporting framework or standard, and it does not prevent undertakings from choosing not to use any reporting framework or standards at all. As required by Article 2 of Directive 2014/95/EU, the Commission published in 2017 non-binding guidelines for undertakings under the scope of that Directive<sup>52</sup>. In 2019, the Commission published additional guidelines, specifically on reporting climate-related information<sup>53</sup>. The climate reporting guidelines explicitly incorporated the recommendations of the Task Force on Climate-related Financial Disclosures. Available evidence indicates that those non-binding guidelines did not have a significant impact on the quality of non-financial reporting by undertakings under the scope of Articles 19a and 29a of Directive 2013/34/EU. The voluntary nature of the guidelines means that undertakings are free to apply them or not.

***that information is comparable and that all relevant information is disclosed. Building on the double-materiality principle, standards should cover all information that is material to users. Common reporting standards are also necessary to enable the audit and digitalisation of sustainability reporting and to facilitate its supervision and enforcement. The development of mandatory common sustainability reporting standards is necessary to progress to a situation in which sustainability information has a status comparable to that of financial information.***

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<sup>52</sup> Communication from the Commission Guidelines on non-financial reporting (methodology for reporting non-financial information) (C/2017/4234).

<sup>53</sup> Communication from the Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information (C/2019/4490).

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<sup>52</sup> Communication from the Commission Guidelines on non-financial reporting (methodology for reporting non-financial information) (C/2017/4234).

<sup>53</sup> Communication from the Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information (C/2019/4490).

Or. en

**Amendment 151**  
**Michiel Hoogeveen**

**Proposal for a directive**  
**Recital 33**

*Text proposed by the Commission*

(33) ***No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose***

*Amendment*

(33) ***For developing its own sustainability reporting standards the Union should ensure consistency with equivalent global standards.***

*sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.*

Or. en

## **Amendment 152**

**Nicola Beer, Caroline Nagtegaal**

### **Proposal for a directive**

#### **Recital 33**

*Text proposed by the Commission*

(33) *No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself.*

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

*Amendment*

(33) *For developing its own sustainability reporting standards the Union should ensure consistency with global equivalent standards.* Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters, *including the monetary valuation of business impacts on society where beneficial for data preparers and users to compare the relevance of different indicators. In order to avoid duplication of obligations and inconsistencies in definitions, scope and objectives of applicable requirements, the sustainability* and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including, *but not limited to* obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability

content of sustainability reporting standards are consistent with the Union's needs.

reporting standards for Union undertakings must be commensurate with the ***Union's social-economic objectives under Article 3(3) of the Treaty on European Union***, the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050, ***while taking into account global standards***. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards ***in convergence with the development of International Sustainability Standards (ISS) adopted by the International Sustainability Standards Board (ISSB)***, enabling their rapid adoption and ***where necessary*** ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

Or. en

#### *Justification*

*EU reporting standards should be coherent and consistent with the work done internationally, not limited to the status quo and be complementary where necessary.*

#### **Amendment 153**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher**

#### **Proposal for a directive**

#### **Recital 33**

##### *Text proposed by the Commission*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters ***and*** needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088.

##### *Amendment*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters, ***including the monetary valuation of business impacts on society where beneficial for data preparers and users to compare the relevance of different indicators. In order to avoid duplication of obligations and***



In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

***inconsistencies in definitions, scope and objectives of applicable requirements, the sustainability information*** needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including, ***but not limited to*** obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the ***Union's social-economic objectives under Article 3(3) of the Treaty on European Union***, the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050, ***while taking into account global standards***. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

Or. en

**Amendment 154**  
**Othmar Karas**

**Proposal for a directive**  
**Recital 33**

*Text proposed by the Commission*

(33) ***No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself.*** Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters ***and*** needs to be ***aligned***, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of

*Amendment*

(33) ***Leading on the development of sustainability reporting standards, the European Union can contribute to the development of globally uniform standards.*** Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters. ***To avoid duplication of obligations and inconsistencies in definitions, scope and objectives of applicable requirements, sustainability information*** needs to be ***consistent***, where appropriate, with other obligations under Union law to disclose sustainability information, including

ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with *the Unions social-economic objectives and* the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

Or. en

**Amendment 155**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 33**

*Text proposed by the Commission*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088.

***In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid***

*Amendment*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088.

*adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.*

Or. en

#### **Amendment 156**

**Markus Ferber**

#### **Proposal for a directive**

#### **Recital 33**

##### *Text proposed by the Commission*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. ***In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050.*** It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

##### *Amendment*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself, ***yet work on international standards is ongoing.*** Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs ***and aligned with international standards.***

Or. en

#### **Amendment 157**

**Gunnar Beck, Charlie Weimers**

#### **Proposal for a directive**

#### **Recital 33**

*Text proposed by the Commission*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. ***In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050.*** It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

*Amendment*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

Or. en

**Amendment 158**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Recital 33**

*Text proposed by the Commission*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other

*Amendment*

(33) No existing standard or framework satisfies the Union's needs for detailed sustainability reporting by itself. Information required by Directive 2013/34/EU needs to cover information relevant from each of the materiality perspectives, needs to cover all sustainability matters and needs to be aligned, where appropriate, with other

obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

obligations under Union law to disclose sustainability information, including obligations laid down in Regulation (EU) 2020/852 and Regulation (EU) 2019/2088. ***This information must be based on science based harmonised, comparable and uniform indicators and consistent with the harmonised life cycle assessment.*** In addition, mandatory sustainability reporting standards for Union undertakings must be commensurate with the level of ambition of the European Green Deal and the Union's climate-neutrality objective for 2050. It is therefore necessary to empower the Commission to adopt Union sustainability reporting standards, enabling their rapid adoption and ensuring that the content of sustainability reporting standards are consistent with the Union's needs.

Or. en

## **Amendment 159**

**Bas Eickhout**

on behalf of the Greens/EFA Group

### **Proposal for a directive**

#### **Recital 34**

##### *Text proposed by the Commission*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for

##### *Amendment*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for

the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that **EFRAG** will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, **EFRAG's** technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards.

the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. ***Taking into account however the expansion of the sustainability reporting standards following this Directive, the current composition of EFRAG and its restricting funding structure, there is a need to designate a European Sustainable Corporate Reporting Board (ESCRB) as a new independent and publicly controlled advisory body to take over the advisory role on the sustainability reporting standards from EFRAG. Through its composition, funding and governance structure, the ESCRD should ensure that its positions and technical advice reflect balanced and quality input of experts from all different fields and representing all relevant stakeholders. It the ESCRB will have a tripartite structure with its members coming from (1) public authorities, (2) corporate representatives and (3) civil society, including trade unions.*** When adopting sustainability reporting standards, the Commission should take account of technical advice that **ESCRB** will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of

According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory convergence in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on **EFRAG's** technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

users of the information reported, **ESCRB** technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant **stakeholders**. **To** ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council, ESMA also plays a role in promoting supervisory convergence in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on **ESCRBs** technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission

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<sup>54</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

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<sup>54</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

Or. en

## **Amendment 160**

### **Manon Aubry**

#### **Proposal for a directive**

#### **Recital 34**

##### *Text proposed by the Commission*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG *has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing*

##### *Amendment*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. ***However, the current structure, governance and functioning of EFRAG does not provide for the adequate involvement of workers' representatives and civil society organisations. For example, EFRAG currently requires stakeholders to pay a fee in order to participate in its work which is a barrier for the participation of some stakeholder and entails a risk of conflict of interests with others. Important changes regarding the governance of EFRAG are necessary in order to guarantee its independence, prevent all conflicts of interests and allow for the inclusion of non-corporate stakeholders.*** When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and



***cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar.*** When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on

meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of

EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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being consulted by the Commission.

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Or. en

**Amendment 161**  
**Nicola Beer, Caroline Nagtegaal**

**Proposal for a directive**  
**Recital 34**

*Text proposed by the Commission*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination

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(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination

between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing **cooperation** between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets

between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters, **including monetary valuation of impacts and natural capital accounting methods** from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing **convergence** between global standard-setting initiatives **such as International Sustainability Standards (ISS) adopted by the International Sustainability Standards Board (ISSB)** and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the **convergence with global standard-setting initiatives and within the European Union (e.g., SFDR, Taxonomy) and to the** European public good and meet the needs of undertakings, and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by **public consultations and** cost benefit analyses, and be developed with the expertise of

Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within *two* months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

relevant stakeholders, *including the Platform on Sustainable Finance and relevant national experts of the Member States*. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. *To ensure that Union sustainability reporting standards take account of the consistency with Regulation (EU)2020/852, before adopting the standards the Commission should consult the Platform on Sustainable Finance referred to in Article 20 of Regulation (EU)2020/852 on EFRAG's technical advice. To ensure that Union sustainability reporting standards take account of the convergence with global standard-setting initiatives, before adopting the standards the Commission should consult with the International Sustainability Standards Board*. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within *four months from the date of receipt of the request from the Commission and it shall provide its opinion on amendments to existing standards within three* months from the date of receipt of the request from the

Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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Or. en

## **Amendment 162**

**Dragoş Pişlaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher**

### **Proposal for a directive**

#### **Recital 34**

##### *Text proposed by the Commission*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting

##### *Amendment*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting

standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting

standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective, **including monetary valuation of impacts and natural capital accounting methods**. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives **such as International Sustainability Standards (ISS) adopted by the International Sustainability Standards Board (ISSB)** and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by **public consultations and** cost benefit analyses, and be developed with the expertise of relevant stakeholders, **including the Platform on Sustainable Finance and relevant national experts of the Member States**. To ensure that Union

regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory convergence in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within *two* months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory convergence in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within *four months from the date of receipt of the request from the Commission and it shall provide its opinion on amendments to existing standards within three* months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions *Authority, the European Labour* Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

<sup>54</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

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Or. en

## **Amendment 163**

### **Manon Aubry**

#### **Proposal for a directive**

#### **Recital 34**

##### *Text proposed by the Commission*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In

##### *Amendment*

(34) ***The Commission should guarantee the inclusion of trade unions in the development of sustainability reporting standards, and include other relevant stakeholders.*** The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards,



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and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission **may take into** account **the** technical advice that EFRAG **develops, provided that the technical advisory body responsible for the advice and the process give sufficient guarantees of inclusion of trade unions and other stakeholders, as well as guarantees of due process, transparency, expertise and prevention of conflicts of interests**. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>,

the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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Or. en

**Amendment 164**  
**Othmar Karas**

**Proposal for a directive**  
**Recital 34**

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be

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developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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<sup>54</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

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Or. en

### **Amendment 165**

**Gabriele Bischoff, Aurore Lalucq, Paul Tang, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### **Proposal for a directive Recital 34**

##### *Text proposed by the Commission*

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a

##### *Amendment*

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double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with *the expertise of* relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU

double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be *based on and* developed with *a broad consultation involving social partners, consumer organisations, NGO sand other* relevant stakeholders, *who should be able to participate in the standard setting process on equal footing and without fees.* To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the

regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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<sup>54</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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Or. en

**Amendment 166**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 34**

(34) The European Financial Reporting Advisory Group (EFRAG) is a non-profit association established under Belgian law that serves the public interest by providing advice to the Commission on the endorsement of international financial reporting standards. EFRAG has established a reputation as a European centre of expertise on corporate reporting, and is well placed to foster coordination between European sustainability reporting standards and international initiatives that seek to develop standards that are consistent across the world. In March 2021, a multi-stakeholder task force set up by EFRAG published recommendations for the possible development of sustainability reporting standards for the European Union. Those recommendations contain proposals to develop a coherent and comprehensive set of reporting standards, covering all sustainability matters from a double-materiality perspective. Those recommendations also contain a detailed roadmap for developing such standards, and proposals for mutually reinforcing cooperation between global standard-setting initiatives and standard-setting initiatives of the European Union. In March 2021, the EFRAG President published recommendations for possible governance changes to EFRAG if it were to be asked to develop technical advice about sustainability reporting standards. These recommendations include offsetting up within EFRAG a new sustainability reporting pillar while not significantly modifying the existing financial reporting pillar. When adopting sustainability reporting standards, the Commission should take account of technical advice that EFRAG will develop. In order to ensure high-quality standards that contribute to the European public good and meet the needs of undertakings and of users of the information reported, EFRAG's technical advice should be

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developed with proper due process, public oversight and transparency, accompanied by cost benefit analyses, and be developed with the expertise of relevant stakeholders. To ensure that Union sustainability reporting standards take account of the views of the Member States of the Union, before adopting the standards the Commission should consult the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852 on EFRAG's technical advice. The European Securities and Markets Authority (ESMA) plays a role in drafting regulatory technical standards pursuant to Regulation (EU) 2019/2088 and there needs to be coherence between those regulatory technical standards and sustainability reporting standards. According to Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>54</sup>, ESMA also plays a role in promoting supervisory converge in the enforcement of corporate reporting by issuers whose securities are listed on EU regulated markets and who will be required to use these sustainability reporting standards. Therefore, ESMA should be required to provide an opinion on EFRAG's technical advice. This opinion should be provided within two months from the date of receipt of the request from the Commission. In addition, the Commission should consult the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Central Bank *and* the Committee of European Auditing Oversight Bodies to ensure that the sustainability reporting standards are coherent with relevant Union policy and legislation. Where any of those bodies decide to submit an opinion, they shall do so within two months from the date of being consulted by the Commission.

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Or. en

**Amendment 167**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 35**

*Text proposed by the Commission*

(35) Sustainability reporting standards should be coherent with other Union legislation. Those standards should in particular be aligned with the disclosure requirements laid down in Regulation (EU) 2019/2088, and they should take account of underlying indicators and methodologies set out in the various delegated acts adopted pursuant to Regulation (EU) 2020/852, disclosure requirements applicable to benchmark administrators pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council<sup>55</sup>, ***the minimum standards for the construction of EU climate transition benchmarks and EU Paris-aligned benchmarks; and of any work carried out by the European Banking Authority in the implementation of the Pillar III disclosure requirements of Regulation (EU) No 575/2013.*** Standards should take account of Union environmental legislation, including Directive 2003/87/EC of the European Parliament and of the Council<sup>56</sup> and Regulation (EC) No 1221/2009 of the European Parliament and of the Council<sup>57</sup>, and should take account of Commission

*Amendment*

(35) Sustainability reporting standards should be coherent with other Union legislation. Those standards should in particular be aligned with the disclosure requirements laid down in Regulation (EU) 2019/2088, and they should take account of underlying indicators and methodologies set out in the various delegated acts adopted pursuant to Regulation (EU) 2020/852, disclosure requirements applicable to benchmark administrators pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council<sup>55</sup>. Standards should take account of Union environmental legislation, including Directive 2003/87/EC of the European Parliament and of the Council<sup>56</sup> and Regulation (EC) No 1221/2009 of the European Parliament and of the Council<sup>57</sup>, and should take account of Commission Recommendation 2013/179/EU<sup>58</sup> and its annexes, and their updates. Other relevant Union legislation, including Directive 2010/75/EU of the European Parliament and of the Council<sup>59</sup>, and requirements laid down in Union law for undertakings as regards directors' duties and due diligence,

Recommendation 2013/179/EU<sup>58</sup> and its annexes, and their updates. Other relevant Union legislation, including Directive 2010/75/EU of the European Parliament and of the Council<sup>59</sup>, and requirements laid down in Union law for undertakings as regards directors' duties and due diligence, should also be taken into account.

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<sup>55</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>56</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

<sup>57</sup> Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

<sup>58</sup> Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

<sup>59</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

should also be taken into account.

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<sup>55</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

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<sup>59</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

Or. en

**Amendment 168**  
**Linea Sogaard-Lidell**

**Proposal for a directive**  
**Recital 35**

*Text proposed by the Commission*

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

*Amendment*

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

should also be taken into account.

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<sup>55</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>56</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

<sup>57</sup> Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

<sup>58</sup> Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

<sup>59</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

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<sup>55</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

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<sup>57</sup> Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

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<sup>59</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

Or. en

### *Justification*

*This amendment clarifies that corporates should be able to use the reporting standards of this Directive to demonstrate compliance with all EU requirements on sustainability at the corporate level. This with a view to avoid the creation of parallel reporting regimes in the future, and hence, minimize the administrative burdens on companies. The sustainability*

*reporting standards under CSRD should hence be the principal reporting tool by which companies collect and disclose data on corporate sustainability regardless of which EU legislation the reporting requirements laid down in.*

## **Amendment 169**

**Jessica Polfjärd**

### **Proposal for a directive**

#### **Recital 35**

##### *Text proposed by the Commission*

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

##### *Amendment*

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

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<sup>55</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>56</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

<sup>57</sup> Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

<sup>58</sup> Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

<sup>59</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

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<sup>55</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>56</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

<sup>57</sup> Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC (OJ L 342, 22.12.2009, p. 1).

<sup>58</sup> Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

<sup>59</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

Or. en

## **Amendment 170**

**Bas Eickhout**

on behalf of the Greens/EFA Group

**Proposal for a directive**  
**Recital 36**

*Text proposed by the Commission*

(36) Sustainability reporting standards should take account of the Commission guidelines on non-financial reporting<sup>60</sup> and the Commission guidelines on reporting climate-related information<sup>61</sup>. **They** should also take account of other reporting requirements in Directive 2013/34/EU not directly related to sustainability, with the aim of providing the users of the reported information with a better understanding of the development, performance, position and impact of the undertaking, by maximising the links between the sustainability information and other information reported in accordance with Directive 2013/34/EU.

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<sup>60</sup> 2017/C 215/01.

<sup>61</sup> 2019/C 209/01.

*Amendment*

(36) Sustainability reporting standards should take account of the Commission guidelines on non-financial reporting<sup>60</sup> and the Commission guidelines on reporting climate-related information<sup>61</sup>. **Notably, they should refer to key performance indicators including those developed under Section 3.5 of Communication 2019/C 209/01 as well as additional indicators covering all the environmental objectives. These indicators should be defined in accordance 2017/C 215/01 and in close collaboration and involvement with organisations promoting environmental protection, social partners, investors and stakeholders involved in international human rights and social matters. Sustainability reporting standards** should also take account of other reporting requirements in Directive 2013/34/EU not directly related to sustainability, with the aim of providing the users of the reported information with a better understanding of the development, performance, position and impact of the undertaking, by maximising the links between the sustainability information and other information reported in accordance with Directive 2013/34/EU.

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<sup>60</sup> 2017/C 215/01.

<sup>61</sup> 2019/C 209/01.

Or. en

**Amendment 171**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 36**



*Text proposed by the Commission*

(36) Sustainability reporting standards should take account of the Commission guidelines on non-financial reporting<sup>60</sup> and the Commission guidelines on reporting climate-related information<sup>61</sup>. They should also take account of other reporting requirements *in* Directive 2013/34/EU not directly related to sustainability, with the aim of providing the users of the reported information with a better understanding of the development, performance, position and impact of the undertaking, by maximising the links between the sustainability information and other information reported in accordance with Directive 2013/34/EU.

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<sup>60</sup> 2017/C 215/01.

<sup>61</sup> 2019/C 209/01.

*Amendment*

(36) Sustainability reporting standards should take account of the Commission guidelines on non-financial reporting<sup>60</sup> and the Commission guidelines on reporting climate-related information<sup>61</sup>. They should also take account of other reporting requirements Directive 2013/34/EU, *in particular reporting on payments to governments by undertakings active in the extractive industry and the logging of forests, as well as other reporting requirement* not directly related to sustainability, with the aim of providing the users of the reported information with a better understanding of the development, performance, position and impact of the undertaking, by maximising the links between the sustainability information and other information reported in accordance with Directive 2013/34/EU.

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<sup>60</sup> 2017/C 215/01.

<sup>61</sup> 2019/C 209/01.

Or. en

**Amendment 172**

**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**

**Recital 36**

*Text proposed by the Commission*

(36) Sustainability reporting standards should take account of the Commission guidelines on non-financial reporting<sup>60</sup> *and the Commission guidelines on reporting climate-related information*<sup>61</sup>. They should also take account of other reporting requirements in Directive 2013/34/EU not directly related to sustainability, with the aim of providing the users of the reported information with a better understanding of

*Amendment*

(36) Sustainability reporting standards should take account of the Commission guidelines on non-financial reporting<sup>60</sup>. They should also take account of other reporting requirements in Directive 2013/34/EU not directly related to sustainability, with the aim of providing the users of the reported information with a better understanding of the development, performance, position and impact of the

the development, performance, position and impact of the undertaking, by maximising the links between the sustainability information and other information reported in accordance with Directive 2013/34/EU.

undertaking, by maximising the links between the sustainability information and other information reported in accordance with Directive 2013/34/EU.

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<sup>60</sup> 2017/C 215/01.

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<sup>60</sup> 2017/C 215/01.

<sup>61</sup> 2019/C 209/01.

<sup>61</sup> 2019/C 209/01.

Or. en

### **Amendment 173**

**Bas Eickhout**

on behalf of the Greens/EFA Group

#### **Proposal for a directive**

##### **Recital 36 a (new)**

*Text proposed by the Commission*

*Amendment*

***(36a) Sustainability reporting standards should be assessed against criteria that will ensure quality and relevance of disclosed information. In particular, they should be aimed at reducing negative outcomes and maximising positive outcomes for people and the planet, be reliable, measurable where possible and relevant as well as science-based where relevant methodologies are available.***

Or. en

### **Amendment 174**

**Gunnar Beck, Charlie Weimers**

#### **Proposal for a directive**

##### **Recital 37**

*Text proposed by the Commission*

*Amendment*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden

on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, *the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project)*. Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. *To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.*

on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, *and* the International Accounting Standards Board. Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation.

Or. en

**Amendment 175**  
**Othmar Karas**

**Proposal for a directive**  
**Recital 37**

*Text proposed by the Commission*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of

*Amendment*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden *and cost* on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of

existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.

*and ensure consistency with* existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation, *in particular of the International Sustainability Standards Board (ISSB)*. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level. *The EU sustainability standards should take into account, as far as possible, equivalent global sustainable reporting standards.*

Or. en

**Amendment 176**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 37**

*Text proposed by the Commission*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should *take account of*

*Amendment*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden *and costs* on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should *be consistent*

**existing** standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.

**with** standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level. ***In turn, international standards, such as the standards developed by the International Sustainability Standards Board (ISSB) shall serve as the baseline for European standards;***

Or. en

## **Amendment 177**

**Nicola Beer, Caroline Nagtegaal**

### **Proposal for a directive**

#### **Recital 37**

##### *Text proposed by the Commission*

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

##### *Amendment*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should **ensure consistency with** existing standards and

sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, **and CDP (formerly the Carbon Disclosure Project)**. Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should **contribute to the process of convergence of sustainability reporting standards at global level**.

frameworks for sustainability reporting and accounting where appropriate. Those include, **among others**, the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board. Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation, **in particular of the International Sustainability Standards Board (ISSB)**. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should **be aligned with the standards developed by the International Sustainability Standards Board as far as they are sufficient to provide the necessary information under this Directive and other Union legislation**.

Or. en

#### *Justification*

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

#### **Amendment 178** **Michiel Hoogeveen**

#### **Proposal for a directive** **Recital 37**

##### *Text proposed by the Commission*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report

##### *Amendment*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report

sustainability information, sustainability reporting standards should **take account of** existing standards and frameworks for sustainability reporting and accounting **where appropriate**. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should **take account of any** sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European **standards** should contribute to the process of convergence of sustainability reporting standards at global level.

sustainability information, sustainability reporting standards should **be entirely consistent with and not go beyond** existing **global** standards and frameworks for sustainability reporting and accounting. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should **further be entirely consistent with and not go beyond** sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation, **in particular of the International Sustainability Standards Board (ISSB)**. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, **the European Commission** should contribute to the process of convergence of sustainability reporting standards at global level.

Or. en

#### **Amendment 179**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Nicola Beer, Billy Kelleher**

#### **Proposal for a directive**

#### **Recital 37**

##### *Text proposed by the Commission*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of

##### *Amendment*

(37) Sustainability reporting standards should be proportionate, and should not impose unnecessary administrative burden on companies that are required to use them. In order to minimise disruption for undertakings that already report sustainability information, sustainability reporting standards should take account of

existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.

existing standards and frameworks for sustainability reporting and accounting where appropriate. Those include the Global Reporting Initiative, the Sustainability Accounting Standards Board, the International Integrated Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation, *in particular of the International Sustainability Standards Board (ISSB)*. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.

Or. en

## **Amendment 180**

**José Manuel García-Margallo y Marfil**

### **Proposal for a directive**

#### **Recital 37**

##### *Text proposed by the Commission*

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

##### *Amendment*

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



Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level.

Reporting Council, the International Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, the Carbon Disclosure Standards Board, and CDP (formerly the Carbon Disclosure Project). Standards of the European Union should take account of any sustainability reporting standards developed under the auspices of International Financial Reporting Standards Foundation. To avoid unnecessary regulatory fragmentation that may have negative consequences for undertakings operating globally, European standards should contribute to the process of convergence of sustainability reporting standards at global level. ***Where possible, the European Union should cooperate with other international players to promote the use of the sustainability reporting standards in this directive at international level.***

Or. es

**Amendment 181**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 38**

*Text proposed by the Commission*

(38) In its communication on the European Green Deal, the European Commission committed to support businesses ***and other stakeholders*** in developing standardised natural capital accounting practices within the Union and internationally, with the aim of ensuring appropriate management of environmental risks and mitigation opportunities, and reduce related transaction costs. The Transparent Project sponsored under the LIFE programme is developing the first natural capital accounting methodology, which will make existing methods easier to compare and more transparent while

*Amendment*

(38) In its communication on the European Green Deal, the European Commission committed to support businesses in developing standardised natural capital accounting practices within the Union and internationally, with the aim of ensuring appropriate management of environmental risks and mitigation opportunities, and reduce related transaction costs. The Transparent Project sponsored under the LIFE programme is developing the first natural capital accounting methodology, which will make existing methods easier to compare and more transparent while lowering the

lowering the threshold for companies to adopt and use the systems in support of future-proofing their business. *The Natural Capital Protocol is also an important reference in this field.* While natural capital accounting methods serve principally to strengthen internal management decisions, they should be duly considered when establishing sustainability reporting standards. *Some natural capital accounting methodologies seek to assign a monetary value to the environmental impacts of companies' activities, which may help users to better understand those impacts. It is therefore appropriate that sustainability reporting standards should be able to include monetised indicators of sustainability impacts if that is deemed necessary.*

threshold for companies to adopt and use the systems in support of future-proofing their business. While natural capital accounting methods serve principally to strengthen internal management decisions, they should be duly considered when establishing sustainability reporting standards.

Or. en

## Amendment 182

Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher

### Proposal for a directive

#### Recital 38

##### *Text proposed by the Commission*

(38) In its communication on the European Green Deal, the European Commission committed to support businesses and other stakeholders in developing standardised natural capital accounting practices within the Union and internationally, with the aim of ensuring appropriate management of environmental risks and mitigation opportunities, and reduce related transaction costs. The Transparent Project sponsored under the LIFE programme is developing the first natural capital accounting methodology, which *will make* existing methods easier to compare and more transparent while lowering the threshold for companies to adopt and use the systems in support of future-proofing their business. The Natural

##### *Amendment*

(38) In its communication on the European Green Deal, the European Commission committed to support businesses and other stakeholders in developing standardised natural capital accounting practices within the Union and internationally, with the aim of ensuring appropriate management of environmental risks and mitigation opportunities *as well as their impact on social, economic and governance risks*, and reduce related transaction costs. The Transparent Project sponsored under the LIFE programme is developing *and testing* the first natural capital accounting methodology, which *consolidates the existing methods and best practices to make performance* easier to compare and more transparent while

Capital Protocol is also an important reference in this field. While natural capital accounting methods serve principally to strengthen internal management decisions, they should be duly considered when establishing sustainability reporting standards. Some natural capital accounting methodologies seek to assign a monetary value to the environmental impacts of companies' activities, which *may* help users to better understand those impacts. It is therefore appropriate that sustainability reporting standards should be able to include monetised indicators of sustainability impacts if that is deemed necessary.

lowering the threshold for companies to adopt and use the systems in support of future-proofing their business. The ***Transparent methodology builds upon the Natural Capital Protocol which is also an important reference in this field and reflects the double-materiality perspective.*** While natural capital accounting methods serve principally to strengthen internal management decisions, they should be duly considered when establishing sustainability reporting standards ***as information collected and audited will be used for external disclosures as well.*** Some natural capital accounting methodologies seek to assign a monetary value to the environmental impacts of companies' activities, which *will* help users to better understand those impacts ***and their interdependencies.*** It is therefore appropriate that sustainability reporting standards should be able to include monetised indicators of sustainability impacts if that is deemed necessary.

Or. en

## **Amendment 183**

### **Nicola Beer**

#### **Proposal for a directive**

#### **Recital 38**

##### *Text proposed by the Commission*

(38) In its communication on the European Green Deal, the European Commission committed to support businesses and other stakeholders in developing standardised natural capital accounting practices within the Union and internationally, with the aim of ensuring appropriate management of environmental risks and mitigation opportunities, and reduce related transaction costs. The Transparent Project sponsored under the LIFE programme is developing the first natural capital accounting methodology,

##### *Amendment*

(38) In its communication on the European Green Deal, the European Commission committed to support businesses and other stakeholders in developing standardised natural capital accounting practices within the Union and internationally, with the aim of ensuring appropriate management of environmental, ***indirectly social, economic, and governance*** risks and mitigation opportunities, and reduce related transaction costs. The Transparent Project sponsored under the LIFE programme is

which **will make** existing methods easier to compare and more transparent while lowering the threshold for companies to adopt and use the systems in support of future-proofing their business. The Natural Capital Protocol is also an important reference in this field. While natural capital accounting methods serve principally to strengthen internal management decisions, they should be duly considered when establishing sustainability reporting standards. **Some** natural capital accounting methodologies **seek to** assign a monetary value to the environmental impacts of companies' activities, which **may** help users to better understand those impacts. It is therefore appropriate that sustainability reporting standards should be **able** to include **monetised indicators** of sustainability impacts **if that is deemed necessary**.

developing **and testing** the first natural capital accounting methodology, which **consolidates the** existing methods **and best practices to make performance** easier to compare and more transparent while lowering the threshold for companies to adopt and use the systems in support of future-proofing their business. The **Transparent methodology builds upon the** Natural Capital Protocol **which** is also an important reference in this field **and reflects the double-materiality perspective**. While natural capital accounting methods serve principally to strengthen internal management decisions, they should be duly considered when establishing sustainability reporting standards **as information collected and audited will be used for external disclosures as well**. Natural capital accounting methodologies assign a monetary value to the environmental impacts of companies' activities, which **will** help users to better understand those impacts **and their interdependencies**. It is therefore appropriate that sustainability reporting standards should be **designed** to include **the monetary valuation** of sustainability impacts.

Or. en

#### *Justification*

*While developing standardised natural capital accounting practices within the Union it is important to consider sustainability in a broader sense as accounted for in the 3 ESG pillars*

**Amendment 184**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 39**

*Text proposed by the Commission*

**(39) Sustainability reporting standards should also take account of internationally recognised principles and frameworks on responsible business**

*Amendment*

**deleted**

*conduct, corporate social responsibility, and sustainable development, including the UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct and related sectoral guidelines, the UN Global Compact, the Tripartite Declaration of Principles of the International Labour Organisation concerning Multinational Enterprises and Social Policy, the ISO 26000 standard on social responsibility, and the UN Principles for Responsible Investment.*

Or. en

**Amendment 185**  
**Jessica Polfjärd**

**Proposal for a directive**  
**Recital 39**

*Text proposed by the Commission*

*Amendment*

**(39) Sustainability reporting standards should also take account of internationally recognised principles and frameworks on responsible business conduct, corporate social responsibility, and sustainable development, including the UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct and related sectoral guidelines, the UN Global Compact, the Tripartite Declaration of Principles of the International Labour Organisation concerning Multinational Enterprises and Social Policy, the ISO 26000 standard on social responsibility, and the UN Principles for Responsible Investment.**

*deleted*

Or. en

**Amendment 186**  
**Sirpa Pietikäinen**

**Proposal for a directive**  
**Recital 40**

*Text proposed by the Commission*

(40) It should be ensured that the information reported by undertakings in accordance with the sustainability reporting standards meet the needs of users. The reporting standards should therefore specify the information that undertakings are to disclose on all major environmental factors, including their impacts and dependencies on climate, air, land, water and biodiversity. Regulation (EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards. The reporting standards should consider and specify any geographical or other contextual information that undertakings should disclose to provide an understanding of their principal impacts on sustainability matters and the principal risks to the undertaking arising from sustainability matters.

*Amendment*

(40) It should be ensured that the information reported by undertakings in accordance with the sustainability reporting standards meet the needs of users. The reporting standards should therefore specify the information that undertakings are to disclose on all major environmental factors, including their impacts and dependencies on climate, air, land, water and biodiversity, ***specifying, if any of its activities cause significant harm (DNSH) to these environmental factors.*** Regulation (EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards. The reporting standards should consider and specify any geographical or other contextual information that undertakings should disclose to provide an understanding of their principal impacts on sustainability matters and the principal risks to the undertaking arising from sustainability matters.

Or. en

**Amendment 187**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 40**

*Text proposed by the Commission*

(40) It should be ensured that the information reported by undertakings in accordance with the sustainability reporting standards meet the needs of users. The reporting standards should therefore specify the information that undertakings are to disclose on all major environmental factors, including their impacts and dependencies on ***climate, air, land, water and biodiversity***. Regulation (EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards. The reporting standards should consider and specify any geographical or other contextual information that undertakings should disclose to provide an understanding of their principal impacts on sustainability matters and the principal risks to the undertaking arising from sustainability matters.

*Amendment*

(40) It should be ensured that the information reported by undertakings in accordance with the sustainability reporting standards meet the needs of users. The reporting standards should therefore specify the information that undertakings are to disclose on all major environmental factors, including their impacts and dependencies on ***the environment***. Regulation (EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards. The reporting standards should consider and specify any geographical or other contextual information that undertakings should disclose to provide an understanding of their principal impacts on sustainability matters and the principal risks to the undertaking arising from sustainability matters.

Or. en

**Amendment 188**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 40**

*Text proposed by the Commission*

(40) It should be ensured that the information reported by undertakings in accordance with the sustainability reporting standards meet the needs of users. The reporting standards ***should*** therefore specify the information that undertakings are to disclose on all major environmental factors, ***including*** their impacts and dependencies on climate, air, land, water and biodiversity. Regulation

*Amendment*

(40) It should be ensured that the information reported by undertakings in accordance with the sustainability reporting standards meet the needs of users. The reporting standards ***may*** therefore specify the information that undertakings are to disclose on all major environmental factors, ***such as*** their impacts and dependencies on climate, air, land, water and biodiversity. Regulation

(EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards. The reporting standards *should* consider and specify any geographical or other contextual information that undertakings should disclose to provide an understanding of their principal impacts on sustainability matters and the principal risks to the undertaking arising from sustainability matters.

(EU) 2020/852 provides a classification of the environmental objectives of the Union. For reasons of coherence, it is appropriate to use a similar classification to identify the environmental factors that should be addressed by sustainability reporting standards. The reporting standards *may* consider and specify any geographical or other contextual information that undertakings should disclose to provide an understanding of their principal impacts on sustainability matters and the principal risks to the undertaking arising from sustainability matters.

Or. en

**Amendment 189**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 41**

*Text proposed by the Commission*

***(41) With regard to climate-related information, users are interested in knowing about undertakings' physical and transition risks, and about their resilience to different climate scenarios. They are also interested in the level and scope of greenhouse gas emissions and removals attributed to the undertaking, including the extent to which the undertaking uses offsets and the source of those offsets. Achieving a climate neutral economy requires the alignment of greenhouse gas accounting and offset standards. Users need reliable information regarding offsets that addresses concerns regarding possible double-counting and overestimations, given the risks to the achievement of climate-related targets that double-counting and overestimations can create. The reporting standards should therefore specify the information undertakings should report with regard to those***

*Amendment*

***deleted***



*matters.*

Or. en

**Amendment 190**  
**Gunnar Beck**

**Proposal for a directive**  
**Recital 41**

*Text proposed by the Commission*

(41) With regard to *climate-related* information, users are interested in knowing about undertakings' *physical and transition* risks, and about their resilience to different *climate* scenarios. They are also interested in the level and scope of *greenhouse gas emissions* and removals attributed to the undertaking, including the extent to which the undertaking uses offsets and the source of those offsets. *Achieving a climate neutral economy requires the alignment of greenhouse gas accounting and offset standards.* Users need reliable information regarding offsets that addresses concerns regarding possible double-counting and overestimations, given the risks to the achievement of climate-related targets that double-counting and overestimations can create. The reporting standards should therefore specify the information undertakings should report with regard to those matters.

*Amendment*

(41) With regard to *environmental* information, users are interested in knowing about undertakings' *environmental* risks, and about their resilience to different scenarios *of environmental risk and damage.* They are also interested in the level and scope of *externalization of costs* and removals attributed to the undertaking, including the extent to which the undertaking uses offsets and the source of those offsets. Users need reliable information regarding offsets that addresses concerns regarding possible double-counting and overestimations *of greenhouse gas emissions*, given the risks to the achievement of climate-related targets that double-counting and overestimations can create. The reporting standards should therefore specify the information undertakings should report with regard to those matters.

Or. en

**Amendment 191**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 41**

*Text proposed by the Commission*

(41) With regard to climate-related information, users are interested in knowing about undertakings' physical and

*Amendment*

(41) With regard to climate-related information, users are interested in knowing about undertakings' physical and

transition risks, and about their resilience to different climate scenarios. They are also interested in the level and scope of greenhouse gas emissions and removals attributed to the undertaking, including the extent to which the undertaking uses offsets and the source of those offsets. Achieving a climate neutral economy requires the alignment of greenhouse gas accounting and offset standards. Users need reliable information regarding offsets that addresses concerns regarding possible double-counting and overestimations, given the risks to the achievement of climate-related targets that double-counting and overestimations can create. The reporting standards should therefore specify the information undertakings should report with regard to those matters.

transition risks, ***about its detailed plans to mitigate its own emissions***, and about their resilience ***and plans to adapt*** to different climate scenarios. They are also interested in the level and scope of greenhouse gas emissions and removals attributed to the undertaking, including the extent to which the undertaking uses offsets and the source of those offsets. Achieving a climate neutral economy requires the alignment of greenhouse gas accounting and offset standards. Users need reliable information regarding offsets that addresses concerns regarding possible double-counting and overestimations, given the risks to the achievement of climate-related targets that double-counting and overestimations can create. The reporting standards should therefore specify the information undertakings should report with regard to those matters.

Or. en

**Amendment 192**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 42**

*Text proposed by the Commission*

***(42) Achieving a climate neutral and circular economy and a toxic-free environment requires the full mobilisation of all economic sectors. Reducing energy use and increasing energy efficiency is key in this respect as energy is used across supply chains. Energy aspects should therefore be duly considered in sustainability reporting standards, in particular in relation to environmental matters.***

*Amendment*

***deleted***

Or. en

**Amendment 193**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 42**

*Text proposed by the Commission*

*Amendment*

**(42)** *Achieving a climate neutral and circular economy and a toxic-free environment requires the full mobilisation of all economic sectors. Reducing energy use and increasing energy efficiency is key in this respect as energy is used across supply chains. Energy aspects should therefore be duly considered in sustainability reporting standards, in particular in relation to environmental matters.* **deleted**

Or. en

**Amendment 194**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 43**

*Text proposed by the Commission*

*Amendment*

**(43)** *Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. Such information should cover the impacts of undertakings on people, including on human health. The information that undertakings disclose about human rights should include information about forced labour in their value chains where relevant. Reporting standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including equal opportunities for all and working conditions. The* **deleted**

***European Pillar of Social Rights Action Plan adopted in March 2021 calls for stronger requirements on undertakings to report on social issues. The reporting standards should also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, and the Charter of Fundamental Rights of the European Union.***

Or. en

**Amendment 195**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 43**

*Text proposed by the Commission*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. Such information should cover the impacts of undertakings on people, including on human health. The information that undertakings disclose about human rights should include information about forced labour in their value chains where relevant. Reporting standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including equal opportunities for all and working conditions. The European Pillar of Social Rights Action Plan adopted in

*Amendment*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. ***Such information*** should cover the impacts of undertakings on people, including on human health. ***The undertaking should disclose country-by-country information regarding their workforce, working conditions, including wages per gender and per deciles, working hours, workers’ physical and psychological health and safety. It should also disclose information on social dialogue and workers’ representation.*** *The* information that undertakings disclose about human rights should include information about ***the impacts on human rights and workers’ rights in their value***

March 2021 calls for stronger requirements on undertakings to report on social issues. The reporting standards should also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, and the Charter of Fundamental Rights of the European Union.

*chains, including but not limited to* forced labour *and living wages* in their value chains where relevant. Reporting standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including equal opportunities for all and working conditions. The European Pillar of Social Rights Action Plan adopted in March 2021 calls for stronger requirements on undertakings to report on social issues. The reporting standards should also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, and the Charter of Fundamental Rights of the European Union.

Or. en

**Amendment 196**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 43**

*Text proposed by the Commission*

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

*Amendment*

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

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

value chains where relevant. The reporting standards **may** also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, and the Charter of Fundamental Rights of the European Union.

Or. en

## **Amendment 197**

**Manon Aubry**

### **Proposal for a directive**

#### **Recital 43**

*Text proposed by the Commission*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. Such information should cover the impacts of undertakings on people, including on human health. The information that undertakings disclose about human rights should include information about forced labour in their value chains where relevant. Reporting

*Amendment*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including employee factors and human rights. Such information should cover the impacts of undertakings on people, including on human health. The information that undertakings disclose about human rights should include information about forced labour in their value chains where relevant. Reporting

standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including equal opportunities for all and working conditions. The European Pillar of Social Rights Action Plan adopted in March 2021 calls for stronger requirements on undertakings to report on social issues. The reporting standards should also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, *and* the Charter of Fundamental Rights of the European Union.

standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including equal opportunities for all and working conditions. The European Pillar of Social Rights Action Plan adopted in March 2021 calls for stronger requirements on undertakings to report on social issues. The reporting standards should also specify the information that undertakings should disclose with regard to the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the *relevant conventions of the International Labour Organisation and in particular the* fundamental conventions of the International Labour Organisation, *the European Convention on Human Rights, the European Social Charter*, the Charter of Fundamental Rights of the European Union, *the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.*

Or. en

#### **Amendment 198**

**Gabriele Bischoff, Aurore Lalucq, Paul Tang, Alfred Sant, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### **Proposal for a directive Recital 43**

*Text proposed by the Commission*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including *employee factors* and human rights. Such information should

*Amendment*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including *workers' rights, diversity, inclusion, gender equality* and

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

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

Or. en

**Amendment 199**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 44**

*Text proposed by the Commission*

***(44) Users need information about governance factors, including information on the role of an undertaking's administrative, management and supervisory bodies, including with regard to sustainability***

*Amendment*

***deleted***



*matters, the composition of such bodies, and an undertaking's internal control and risk management systems, including in relation to the reporting process. Users also need information about undertakings' corporate culture and approach to business ethics, including anti-corruption and anti-bribery, and about their political engagements, including lobbying activities. Information about the management of the undertaking and the quality of relationships with business partners, including payment practices relating to the date or period for payment, the rate of interest for late payment or the compensation for recovery costs referred to in Directive 2011/7/EU of the European Parliament and of the Council<sup>62</sup> on late payment in commercial transactions, helps users to understand an undertaking's risks as well as its impacts on sustainability matters. Every year, thousands of businesses, especially SMEs, suffer administrative and financial burdens because they are paid late, or not at all. Ultimately, late payments lead to insolvency and bankruptcy, with destructive effects on entire value chains. Increasing information about payment practices should empower other undertakings to identify prompt and reliable payers, detect unfair payment practices, access information about the businesses they trade with, and negotiate fairer payment terms.*

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<sup>62</sup> *Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions (OJ L 48, 23.2.2011, p. 1).*

Or. en

**Amendment 200**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 44**

*Text proposed by the Commission*

(44) Users need information about governance factors, including information on the role of an undertaking's administrative, management and supervisory bodies, including with regard to sustainability matters, the composition of such bodies, and an undertaking's internal control and risk management systems, including in relation to the reporting process. Users also need information about undertakings' corporate culture and ***approach to business ethics, including*** anti-corruption and anti-bribery, and about their political engagements, including lobbying activities. Information about the management of the undertaking and the quality of relationships with business partners, including payment practices relating to the date or period for payment, the rate of interest for late payment or the compensation for recovery costs referred to in Directive 2011/7/EU of the European Parliament and of the Council<sup>62</sup> on late payment in commercial transactions, helps users to understand an undertaking's risks as well as its impacts on sustainability matters. Every year, thousands of businesses, especially SMEs, suffer administrative and financial burdens because they are paid late, or not at all. Ultimately, late payments lead to insolvency and bankruptcy, with destructive effects on entire value chains. Increasing information about payment practices should empower other undertakings to identify prompt and reliable payers, detect unfair payment practices, access information about the businesses they trade with, and negotiate fairer payment terms.

*Amendment*

(44) Users need information about governance factors, including information on the role of an undertaking's administrative, management and supervisory bodies, including with regard to sustainability matters, the composition of such bodies, and an undertaking's internal control, ***alert mechanism*** and risk management systems, including in relation to the reporting process. Users also need information about undertakings' corporate culture and anti-corruption and anti-bribery ***risk assessments and programmes***, and about their political engagements, including ***details about direct and indirect*** lobbying activities. ***The undertaking should also provide information on beneficial ownership and organisational structure.*** Information about the management of the undertaking and the quality of relationships with business partners, including payment practices relating to the date or period for payment, the rate of interest for late payment or the compensation for recovery costs referred to in Directive 2011/7/EU of the European Parliament and of the Council<sup>62</sup> on late payment in commercial transactions, helps users to understand an undertaking's risks as well as its impacts on sustainability matters. Every year, thousands of businesses, especially SMEs, suffer administrative and financial burdens because they are paid late, or not at all. Ultimately, late payments lead to insolvency and bankruptcy, with destructive effects on entire value chains. Increasing information about payment practices should empower other undertakings to identify prompt and reliable payers, detect unfair payment practices, access information about the businesses they trade with, and negotiate fairer payment terms.

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<sup>62</sup> Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions (OJ L 48, 23.2.2011, p. 1).

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<sup>62</sup> Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions (OJ L 48, 23.2.2011, p. 1).

Or. en

**Amendment 201**  
**Gabriele Bischoff, Paul Tang**

**Proposal for a directive**  
**Recital 44 a (new)**

*Text proposed by the Commission*

*Amendment*

***(44a) Fair tax policies are an integral part of an undertaking's corporate social responsibility. It is therefore relevant that undertakings should disclose their policies in this field. Specifically relevant are an undertaking's policies regarding potentially harmful tax regimes as can be indicated using the hallmarks laid out in Annex IV of the Council Directive (EU) 2018/822 amending Directive 2011/16/EU. These hallmarks, as well as international standards on tax reporting, such as those developed by the Global Reporting Initiative, should be used to develop delegated acts further specifying the sustainability reporting standards on fair taxation practices***

Or. en

**Amendment 202**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 46**

*Text proposed by the Commission*

*Amendment*

***(46) Undertakings in the same sector are often exposed to similar sustainability-related risks, and they often have similar impacts on society and the environment. Comparisons between undertakings in the same sector are especially valuable to investors and other users of sustainability information. Sustainability reporting standards adopted by the Commission should therefore specify both information that undertakings in all sectors should disclose and information that undertakings should disclose depending on their sector of activity. Standards should also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from SME suppliers and from suppliers in emerging markets and economies.***

***deleted***

Or. en

**Amendment 203**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 46**

*Text proposed by the Commission*

*Amendment*

(46) Undertakings in the same sector are often exposed to similar sustainability-related risks, and they often have similar impacts on society and the environment. Comparisons between undertakings in the same sector are especially valuable to investors and other users of sustainability information. Sustainability reporting standards adopted by the Commission should therefore specify both information that undertakings in all sectors should disclose and information that undertakings should disclose depending on their sector of activity. Standards should also take

(46) Undertakings in the same sector are often exposed to similar sustainability-related risks, and they often have similar impacts on society and the environment. Comparisons between undertakings in the same sector are especially valuable to investors and other users of sustainability information. Sustainability reporting standards adopted by the Commission should therefore specify both information that undertakings in all sectors should disclose and information that undertakings should disclose depending on their sector of activity. Standards ***applicable to***

account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from SME suppliers and from suppliers in emerging markets and economies.

***undertakings active in the extractive industry and the logging of forests should be consistent with reporting requirements of Chapter 10 of Directive 2013/34/EU and require sustainability disclosures to be made at project-level. Project-level disclosures are crucial for investors who need consistent and detailed information to analyse the resilience and risks of specific projects with regard to climate change, environmental and social risks, or resource scarcity. Project-level disclosure is equally crucial for communities affected by the extractive and logging industries and civil society organisations to understand and scrutinize the benefits of extractive and logging industries and their environmental, social and governance impacts. Standards should also take*** account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from SME suppliers and from suppliers in emerging markets and economies.

Or. en

**Amendment 204**  
**Jessica Polfjärd**

**Proposal for a directive**  
**Recital 47**

*Text proposed by the Commission*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards **by 31 October 2022**. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and

*Amendment*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards **one and a half years after the entry into force of the Directive**. That set of reporting standards should specify the information that undertakings should disclose with

sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards **at the latest by 31 October 2023**, specifying complementary information that undertakings should disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every **3** years to take account of relevant developments, **including** the development of international standards.

regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards **three years after the entry into force of the Directive**, specifying complementary information that undertakings should disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every **5** years to take account of relevant developments. **The Commission may, when necessary, amend the standards to align them with** the development of international standards.

Or. en

## Amendment 205

Nicola Beer, Caroline Nagtegaal

### Proposal for a directive

#### Recital 47

##### *Text proposed by the Commission*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October **2022**. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October **2023**, specifying complementary information that undertakings should

##### *Amendment*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October **2023**. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October **2024**, specifying complementary information that undertakings should

disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should **review** the standards every **3** years to take account of relevant **developments, including** the development of international standards.

disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. **Amongst others, for the publication of the first and second set of reporting standards**, the Commission should **consider findings generated by stakeholders like the preparatory Transparent Project, which will provide insights on methodology from academia and practitioners and sector specific implementation guidelines for impact measurement and valuation**. The Commission should **review** the standards every **5** years to take account of relevant **developments**. **The Commission may, when necessary, amend the standards to align them with** the development of international standards.

Or. en

#### *Justification*

*Introducing more time for developing technical standards to allow for sufficient time to get it done right rather than fast. More time between every review will provide reporting companies with increase predictability. It is reasonable to consider the corresponding best practices and the outcomes of EU-funded projects such as Transparency project*

## **Amendment 206**

**Lídia Pereira**

### **Proposal for a directive**

#### **Recital 47**

##### *Text proposed by the Commission*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October **2022**. That set of reporting standards should specify the information

##### *Amendment*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October **2023**. That set of reporting standards should specify the information

that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October **2023**, specifying complementary information that undertakings should disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every **3** years to take account of relevant developments, including the development of international standards.

that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October **2024**, specifying complementary information that undertakings should disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every **5** years to take account of relevant developments, including the development of international standards.

Or. en

**Amendment 207**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 47**

*Text proposed by the Commission*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October 2022. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October 2023, specifying complementary information that undertakings should disclose about sustainability matters and

*Amendment*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October 2022. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October 2023, specifying complementary information that undertakings should disclose about sustainability matters and



reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every 3 years to take account of relevant developments, including the development of international standards.

reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should ***prioritise the adoption of standards specific to high-risk sectors and high-risk areas. The Commission should*** review the standards every 3 years to take account of relevant developments, including the development of international standards.

Or. en

## **Amendment 208**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher**

### **Proposal for a directive**

#### **Recital 47**

##### *Text proposed by the Commission*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October 2022. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October 2023, specifying complementary information that undertakings should disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every 3 years to take account of relevant developments, including the development

##### *Amendment*

(47) To meet the information needs from users in a timely manner, and in particular given the urgency to meet the information needs of financial market participants subject to the requirements laid down in the delegated acts adopted pursuant to Article 4, paragraphs 6 and 7 of Regulation (EU) 2019/2088, the Commission should adopt a first set of reporting standards by 31 October 2022. That set of reporting standards should specify the information that undertakings should disclose with regard to all reporting areas and sustainability matters, and that financial market participants need to comply with the disclosure obligations laid down in Regulation (EU) 2019/2088. The Commission should adopt a second set of reporting standards at the latest by 31 October 2023, specifying complementary information that undertakings should disclose about sustainability matters and reporting areas where necessary, and information that is specific to the sector in which an undertaking operates. The Commission should review the standards every 3 years to take account of relevant developments, including the development of international standards ***and should***

of international standards.

*consider findings generated by stakeholders like the preparatory Transparent Project, which will provide insights on methodology from academia and practitioners and sector specific implementation guidelines for impact measurement and valuation.*

Or. en

**Amendment 209**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 47 a (new)**

*Text proposed by the Commission*

*Amendment*

*(47a) Undertakings active in the extractive industry as defined in Article 41 (1) of directive 2013/34/EU should be subject to additional sustainability disclosure requirements due to sectoral specificities. Undertakings operating in the extractive industry are characterised by high market capitalizations, global economic influence, and their operations generate important public revenues. They also have exceptional sustainability impacts that should be disclosed in terms of direct and indirect greenhouse gas emissions, pollution, biodiversity loss and human health. Moreover their activities can fuel corruption, conflict and threaten human rights when safeguards are not met or if projects are poorly managed. The additional reporting requirements for the extractive industry also derive from the increased need of users for information due to the ongoing energy transition, which will likely usher in a huge reduction in the production of fossil fuels and a massive increase in the exploitation of minerals needed for clean energy technologies. European capital markets are exposed to climate-related risks with the vulnerability of coal, oil and gas companies being particularly*

*pronounced. These climate related risks will also have real consequences for extractive industry stakeholders in producing countries.*

Or. en

**Amendment 210**

**Bas Eickhout**

on behalf of the Greens/EFA Group

**Proposal for a directive**

**Recital 47 a (new)**

*Text proposed by the Commission*

*Amendment*

*(47a) Undertakings active in the extractive industry should be required to publish the contracts and other documents upon which these projects are based. Given the changes that will be wrought by the energy transition, availability of the terms governing resource extraction will be key to understanding how risk and reward will be shared between companies, communities and governments. According to the International Monetary Fund, contract transparency in the extractive industries has become a global norm, and the practice was made a requirement under the 2019 Extractive Industries Transparency Initiative standard—the main global standard for transparency in the extractive industries. Contract disclosure is supported by leading extractives industry companies and has been endorsed by private sector forums including the International Council on Mining and Metals. Leading development finance institutions including the World Bank’s IFC and MIGA already require private sector clients developing extractive resources to publish contracts. The EBRD has the same requirements for hydrocarbons development. The IMF, the UN, the International Bar Association and the OECD have endorsed the*

## **Amendment 211**

**Jessica Stegrud**

### **Proposal for a directive**

#### **Recital 48**

##### *Text proposed by the Commission*

(48) Directive 2013/34/EU does not require that the financial statements or the management report are provided in a digital format, which hinders the findability and usability of the reported information. Users of sustainability information increasingly expect such information to be findable and machine-readable in digital formats. Digitalisation creates opportunities to exploit information more efficiently and holds the potential for significant cost savings for both users and undertakings. Undertakings should therefore be required to prepare their financial statements and their management report in XHTML format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815,<sup>63</sup> and to mark-up sustainability information, including the disclosures required by Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation. ***A digital taxonomy to the Union sustainability reporting standards will be necessary to allow for the information reported to be tagged in accordance with those standards.*** These requirements should feed into the work on digitalisation announced by the Commission in its Communication A European strategy for data<sup>64</sup> and in the Digital Finance Strategy for the EU.<sup>65</sup> These requirements also complement the creation of a European single access point for public corporate information as envisaged in the capital markets union action plan, which also considers the need

##### *Amendment*

(48) Directive 2013/34/EU does not require that the financial statements or the management report are provided in a digital format, which hinders the findability and usability of the reported information. Users of sustainability information increasingly expect such information to be findable and machine-readable in digital formats. Digitalisation creates opportunities to exploit information more efficiently and holds the potential for significant cost savings for both users and undertakings. Undertakings should therefore be required to prepare their financial statements and their management report in XHTML format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815,<sup>63</sup> and to mark-up sustainability information, including the disclosures required by Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation. These requirements should feed into the work on digitalisation announced by the Commission in its Communication A European strategy for data<sup>64</sup> and in the Digital Finance Strategy for the EU.<sup>65</sup> These requirements also complement the creation of a European single access point for public corporate information as envisaged in the capital markets union action plan, which also considers the need for structured data.

for structured data.

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<sup>63</sup> Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1).

<sup>64</sup> <https://ec.europa.eu/digital-single-market/en/european-strategy-data>

<sup>65</sup>

[https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals\\_en](https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals_en)

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<sup>63</sup> Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1).

<sup>64</sup> <https://ec.europa.eu/digital-single-market/en/european-strategy-data>

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Or. en

## **Amendment 212**

### **Manon Aubry**

#### **Proposal for a directive**

#### **Recital 48**

##### *Text proposed by the Commission*

(48) Directive 2013/34/EU does not require that the financial statements or the management report are provided in a digital format, which hinders the findability and usability of the reported information. Users of sustainability information increasingly expect such information to be findable and machine-readable in digital formats. Digitalisation creates opportunities to exploit information more efficiently and holds the potential for significant cost savings for both users and undertakings. Undertakings should therefore be required to prepare their financial statements and their management report in XHTML format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815,<sup>63</sup> and to mark-up sustainability information, including the disclosures required by Article 8 of

##### *Amendment*

(48) Directive 2013/34/EU does not require that the financial statements or the management report are provided in a digital format, which hinders the findability, **accessibility** and usability of the reported information. Users of sustainability information increasingly expect such information to be findable, **comparable** and machine-readable in digital formats **and published under open data principles**. Digitalisation creates opportunities to exploit information more efficiently and holds the potential for significant cost savings for both users and undertakings. Undertakings should therefore be required to prepare **and make publicly available** their financial statements and their management report in XHTML format in accordance with Article 3 of Commission Delegated Regulation

Regulation (EU) 2020/852, in accordance with that Delegated Regulation. A digital taxonomy to the Union sustainability reporting standards will be necessary to allow for the information reported to be tagged in accordance with those standards. These requirements should feed into the work on digitalisation announced by the Commission in its Communication A European strategy for data<sup>64</sup> and in the Digital Finance Strategy for the EU.<sup>65</sup> These requirements also complement the creation of a European single access point for public corporate information as envisaged in the capital markets union action plan, which also considers the need for structured data.

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<sup>63</sup> Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1).

<sup>64</sup> <https://ec.europa.eu/digital-single-market/en/european-strategy-data>

<sup>65</sup>

[https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals\\_en](https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals_en)

(EU) 2019/815,<sup>63</sup> and to mark-up sustainability information, including the disclosures required by Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation. A digital taxonomy to the Union sustainability reporting standards will be necessary to allow for the information reported to be tagged in accordance with those standards. These requirements should feed into the work on digitalisation announced by the Commission in its Communication A European strategy for data<sup>64</sup> and in the Digital Finance Strategy for the EU.<sup>65</sup> These requirements also complement the creation of a European single access point for public corporate information as envisaged in the capital markets union action plan, which also considers the need for structured data.

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<sup>63</sup> Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1).

<sup>64</sup> <https://ec.europa.eu/digital-single-market/en/european-strategy-data>

<sup>65</sup>

[https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals\\_en](https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals_en)

Or. en

### **Amendment 213**

**Gabriele Bischoff, Aurore Lalucq, Alfred Sant, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

### **Proposal for a directive**

#### **Recital 48**

(48) Directive 2013/34/EU does not require that the financial statements or the management report are provided in a digital format, which hinders the findability and usability of the reported information. Users of sustainability information increasingly expect such information to be findable and machine-readable in digital formats. Digitalisation creates opportunities to exploit information more efficiently and holds the potential for significant cost savings for both users and undertakings. Undertakings should therefore be required to prepare their financial statements and their management report in XHTML format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815,<sup>63</sup> and to mark-up sustainability information, including the disclosures required by Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation. A digital taxonomy to the Union sustainability reporting standards will be necessary to allow for the information reported to be tagged in accordance with those standards. These requirements should feed into the work on digitalisation announced by the Commission in its Communication A European strategy for data<sup>64</sup> and in the Digital Finance Strategy for the EU.<sup>65</sup> These requirements also complement the creation of a European single access point for public corporate information as envisaged in the capital markets union action plan, which also considers the need for structured data.

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<sup>63</sup> Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical

(48) Directive 2013/34/EU does not require that the financial statements or the management report are provided in a digital format, which hinders the findability and usability of the reported information. Users of sustainability information increasingly expect such information to be findable and machine-readable in digital formats **and fully accessible, notably for persons with disabilities following Directive 2019/882**. Digitalisation creates opportunities to exploit information more efficiently and holds the potential for significant cost savings for both users and undertakings. Undertakings should therefore be required to prepare their financial statements and their management report in XHTML format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815,<sup>63</sup> and to mark-up sustainability information, including the disclosures required by Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation. A digital taxonomy to the Union sustainability reporting standards will be necessary to allow for the information reported to be tagged in accordance with those standards. These requirements should feed into the work on digitalisation announced by the Commission in its Communication A European strategy for data<sup>64</sup> and in the Digital Finance Strategy for the EU.<sup>65</sup> These requirements also complement the creation of a European single access point for public corporate information as envisaged in the capital markets union action plan, which also considers the need for structured data.

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<sup>63</sup> Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical

standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1).

<sup>64</sup> <https://ec.europa.eu/digital-single-market/en/european-strategy-data>

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[https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals\\_en](https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals_en)

standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1).

<sup>64</sup> <https://ec.europa.eu/digital-single-market/en/european-strategy-data>

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[https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals\\_en](https://ec.europa.eu/info/publications/2009-24-digital-finance-proposals_en)

Or. en

## **Amendment 214**

**Manon Aubry**

### **Proposal for a directive**

#### **Recital 48 a (new)**

*Text proposed by the Commission*

*Amendment*

***(48a) The online platform to access the information should allow users to easily compare the data disclosed by companies online, including by categories such as themes, sectors, countries, turnover and number of employees.***

Or. en

## **Amendment 215**

**Manon Aubry**

### **Proposal for a directive**

#### **Recital 49**

*Text proposed by the Commission*

*Amendment*

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings publish the duly approved annual financial statements and the management report in the prescribed electronic format, and ensure that management reports containing sustainability reporting are made available,

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings publish the duly approved annual financial statements and the management report in the prescribed ***open data and machine-readable*** electronic format, and ensure that management reports containing



without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

sustainability reporting are made available, without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

Or. en

#### **Amendment 216**

**Dragoş Pîslaru, Olivier Chastel, Gilles Boyer, Stéphanie Yon-Courtin, Nicola Beer, Billy Kelleher**

#### **Proposal for a directive**

#### **Recital 49**

##### *Text proposed by the Commission*

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings publish the duly approved annual financial statements and the management report in the prescribed electronic format, and ensure that management reports containing sustainability reporting are made available, without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

##### *Amendment*

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings publish the duly approved annual financial statements and the management report in the prescribed **machine-readable** electronic format, and ensure that management reports containing sustainability reporting are made available, without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

Or. en

#### **Amendment 217**

**Sirpa Pietikäinen**

#### **Proposal for a directive**

#### **Recital 49**

##### *Text proposed by the Commission*

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings

##### *Amendment*

(49) To allow **and ensure** for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that

publish the duly approved annual financial statements and the management report in the prescribed electronic format, and ensure that management reports containing sustainability reporting are made available, without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

undertakings publish the duly approved annual financial statements and the management report in the prescribed electronic format, and ensure that management reports containing sustainability reporting are made available, without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

Or. en

**Amendment 218**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 49**

*Text proposed by the Commission*

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings publish the duly approved annual financial statements and the management report in the prescribed electronic format, and ensure that management reports containing sustainability reporting are made available, without delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

*Amendment*

(49) To allow for the inclusion of the reported sustainability information in the European single access point, Member States should ensure that undertakings publish the duly approved annual financial statements and the management report in the prescribed electronic format, and ensure that management reports containing sustainability reporting are made available, without *undue* delay following their publication, to the relevant officially appointed mechanism referred to in Article 21(2) of Directive 2004/109/EC.

Or. en

**Amendment 219**  
**Markus Ferber**

**Proposal for a directive**  
**Recital 50**

*Text proposed by the Commission*

(50) Article 19a(4) of Directive

*Amendment*

(50) Article 19a(4) of Directive

2013/34/EU enables Member States to exempt undertakings from including in the management report the non-financial statement required under Article 19a(1). Member States may do so where the undertaking concerned prepares a separate report that is published together with the management report in accordance with Article 30 of that Directive, or where that report is made publicly available on the undertaking's website within a reasonable period of time not exceeding 6 months, after the balance sheet date, and is referred to in the management report. The same possibility exists for the consolidated non-financial statement referred to in Article 29(a)(4) of Directive 2013/34/EU. Twenty Member States have used that option. ***The possibility to publish a separate report hinders, however, the availability of information that connects financial and information on sustainability matters. It also hinders the findability and accessibility of information for users, especially investors, who are interested in both financial and sustainability information. Possible different publication times for financial and sustainability information exacerbate this problem. Publication in a separate report can also give the impression, internally and externally, that sustainability information belongs to a category of less relevant information, which can impact negatively on the perceived reliability of the information. Undertakings should therefore report sustainability information in the management report and Member States should no longer be allowed to exempt undertakings from the obligation to include in the management report information on sustainability matters. Such obligation also helps to clarify the role of national competent authorities in supervising sustainability reporting, as part of the management report, in accordance with Directive 2004/109/EC. In addition, undertakings required to report sustainability information should in no case be exempted from the***

2013/34/EU enables Member States to exempt undertakings from including in the management report the non-financial statement required under Article 19a(1). Member States may do so where the undertaking concerned prepares a separate report that is published together with the management report in accordance with Article 30 of that Directive, or where that report is made publicly available on the undertaking's website within a reasonable period of time not exceeding 6 months, after the balance sheet date, and is referred to in the management report. The same possibility exists for the consolidated non-financial statement referred to in Article 29(a)(4) of Directive 2013/34/EU. Twenty Member States have used that option.

*obligation to publish the management report as it is important to ensure that sustainability information is publically available.*

Or. en

**Amendment 220**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 50**

*Text proposed by the Commission*

(50) Article 19a(4) of Directive 2013/34/EU enables Member States to exempt undertakings from including in the management report the non-financial statement required under Article 19a(1). Member States may do so where the undertaking concerned prepares a separate report that is published together with the management report in accordance with Article 30 of that Directive, or where that report is made publicly available on the undertaking's website within a reasonable period of time not exceeding 6 months, after the balance sheet date, and is referred to in the management report. The same possibility exists for the consolidated non-financial statement referred to in Article 29(a)(4) of Directive 2013/34/EU. Twenty Member States have used that option. The possibility to publish a separate report hinders, however, the availability of information that connects financial and information on sustainability matters. It also hinders the findability and accessibility of information for users, especially investors, who are interested in both financial and sustainability information. Possible different publication times for financial and sustainability information exacerbate this problem. Publication in a separate report *can also* give the impression, internally and externally, that sustainability information

*Amendment*

(50) Article 19a(4) of Directive 2013/34/EU enables Member States to exempt undertakings from including in the management report the non-financial statement required under Article 19a(1). Member States may do so where the undertaking concerned prepares a separate report that is published together with the management report in accordance with Article 30 of that Directive, or where that report is made publicly available on the undertaking's website within a reasonable period of time not exceeding 6 months, after the balance sheet date, and is referred to in the management report. The same possibility exists for the consolidated non-financial statement referred to in Article 29(a)(4) of Directive 2013/34/EU. Twenty Member States have used that option. The possibility to publish a separate report hinders, however, the availability of information that connects financial and information on sustainability matters. It also hinders the findability and accessibility of information for users, especially investors, who are interested in both financial and sustainability information. Possible different publication times for financial and sustainability information exacerbate this problem. Publication in a separate report *may or may not* give the impression, internally and externally, that sustainability information

belongs to a category of less relevant information, ***which can impact negatively on the perceived reliability of the information. Undertakings should therefore report sustainability information in the management report and Member States should no longer be allowed to exempt undertakings from the obligation to include in the management report information on sustainability matters. Such obligation also helps to clarify the role of national competent authorities in supervising sustainability reporting, as part of the management report, in accordance with Directive 2004/109/EC. In addition, undertakings required to report sustainability information should in no case be exempted from the obligation to publish the management report as it is important to ensure that sustainability information is publically available.***

belongs to a category of less relevant information.

Or. en

**Amendment 221**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 51**

*Text proposed by the Commission*

(51) Article 20 of Directive 2013/34/EU requires undertakings with securities listed on regulated markets to include a corporate governance statement in their management report, which has to contain among other information a description of the diversity policy applied by the undertaking in relation to its administrative, management and supervisory bodies. Article 20 of Directive 2013/34/EU leaves flexibility to undertakings to decide what aspects of diversity they report on. It does not explicitly oblige undertakings to include information on any particular aspect of diversity. ***In order progress towards a***

*Amendment*

(51) Article 20 of Directive 2013/34/EU requires undertakings with securities listed on regulated markets to include a corporate governance statement in their management report, which has to contain among other information a description of the diversity policy applied by the undertaking in relation to its administrative, management and supervisory bodies. Article 20 of Directive 2013/34/EU leaves flexibility to undertakings to decide what aspects of diversity they report on. It does not explicitly oblige undertakings to include information on any particular aspect of diversity. Unnecessary administrative

*more gender-balanced participation in economic decision-making, it is necessary to ensure that undertakings with securities listed on regulated markets always report on their gender diversity policies and the implementation thereof. However, to avoid unnecessary administrative burden, those undertakings should have the possibility to report some of the information required by Article 20 of Directive 2013/34/EU alongside other sustainability-related information.*

*burdens should be avoided.*

Or. en

#### **Amendment 222**

**Gabriele Bischoff, Aurore Lalucq, Alfred Sant, Pedro Marques, Victor Negrescu, Jonás Fernández, Evelyn Regner, Joachim Schuster, Marc Angel, Margarida Marques**

#### **Proposal for a directive Recital 51**

##### *Text proposed by the Commission*

(51) Article 20 of Directive 2013/34/EU requires undertakings with securities listed on regulated markets to include a corporate governance statement in their management report, which has to contain among other information a description of the diversity policy applied by the undertaking in relation to its administrative, management and supervisory bodies. Article 20 of Directive 2013/34/EU leaves flexibility to undertakings to decide what aspects of diversity they report on. It does not explicitly oblige undertakings to include information on any particular aspect of diversity. In order progress towards a more gender-balanced participation in economic decision-making, it is necessary to ensure that undertakings with securities listed on regulated markets always report on their gender diversity policies and the implementation thereof. However, to avoid unnecessary administrative burden, those undertakings should have the possibility to report some of the information required by

##### *Amendment*

(51) Article 20 of Directive 2013/34/EU requires undertakings with securities listed on regulated markets to include a corporate governance statement in their management report, which has to contain among other information a description of the diversity policy applied by the undertaking in relation to its administrative, management and supervisory bodies. Article 20 of Directive 2013/34/EU leaves flexibility to undertakings to decide what aspects of diversity they report on. It does not explicitly oblige undertakings to include information on any particular aspect of diversity. In order progress towards a more gender-balanced participation in economic decision-making, it is necessary to ensure that undertakings with securities listed on regulated markets always report on their gender diversity policies, ***especially with regards to women on boards***, and the implementation thereof. However, to avoid unnecessary administrative burden, those undertakings should have the possibility to

Article 20 of Directive 2013/34/EU alongside other sustainability-related information.

report some of the information required by Article 20 of Directive 2013/34/EU alongside other sustainability-related information.

Or. en

**Amendment 223**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 52**

*Text proposed by the Commission*

(52) Article 33 of Directive 2013/34/EU requires Member States to ensure that the members of the administrative, management and supervisory bodies of an undertaking have collective responsibility for ensuring that the (consolidated) annual financial statements, the (consolidated) management report and the (consolidated) corporate governance statement are drawn up and published in accordance with the requirements of that Directive. That collective responsibility should be extended to the digitalisation requirements laid down in Delegated Regulation (EU) 2019/815, to the requirement to comply with Union sustainability reporting standards and to the requirement to mark up sustainability reporting.

*Amendment*

(52) Article 33 of Directive 2013/34/EU requires Member States to ensure that the members of the administrative, management and supervisory bodies of an undertaking have collective responsibility for ensuring that the (consolidated) annual financial statements, the (consolidated) management report and the (consolidated) corporate governance statement are drawn up and published in accordance with the requirements of that Directive. That collective responsibility should be extended to the digitalisation requirements laid down in Delegated Regulation (EU) 2019/815, to the requirement to comply with Union sustainability reporting standards and to the requirement to mark up sustainability reporting ***and to publish in an open data format.***

Or. en

**Amendment 224**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 53**

*Text proposed by the Commission*

(53) The assurance profession distinguishes between limited and reasonable assurance engagements. The

*Amendment*

(53) The assurance profession distinguishes between limited and reasonable assurance engagements. The

conclusion of a limited assurance engagement is usually provided in a negative form of expression by stating that no matter has been identified by the practitioner to conclude that the subject matter is materially misstated. The auditor performs fewer tests than in a reasonable assurance engagement. The amount of work for a limited assurance engagement is therefore less than for reasonable assurance. The work effort in a reasonable assurance engagement entails extensive procedures including consideration of internal controls of the reporting undertaking and substantive testing, and is therefore significantly higher than in a limited assurance engagement. The conclusion of this type of engagement is usually provided in a positive form of expression and states an opinion on the measurement of the subject matter against previously defined criteria. Article 19a(5) and Article 29a(5) of Directive 2013/34/EU require Member States to ensure that the statutory auditor or audit firm checks whether the non-financial statement or the separate report has been provided. It does not require that an independent provider of assurance services verifies the information, although it allows Member States to require such verification where they wish to. The absence of an assurance requirement on sustainability reporting, in contrast to the requirement for the statutory auditor to perform a reasonable assurance engagement on financial statements, would threaten the credibility of the sustainability information disclosed, thus failing to meet the needs of the intended users of that information. Although the objective is to have a similar level of assurance for financial and sustainability reporting, the absence of a commonly agreed standard for the assurance of sustainability reporting creates the risk of different understandings and expectations of what a reasonable assurance engagement would consist of for different categories of sustainability information, especially with regard to

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forward looking and qualitative disclosures. Therefore, a progressive approach to enhance the level of the assurance required for sustainability information should be considered, starting with an obligation on the statutory auditor or audit firm to express an opinion about the compliance of the sustainability reporting with Union requirements based on a limited assurance engagement. This opinion should cover the compliance of the sustainability reporting with Union sustainability reporting standards, the process carried out by the undertaking to identify the information reported pursuant to the sustainability reporting standards and compliance with the requirement to mark-up sustainability reporting. The auditor should also assess whether the undertaking's reporting complies with the reporting requirements of Article 8 of Regulation (EU) 2020/852. To guarantee a common understanding and expectations of what a reasonable assurance engagement would consist of, the statutory auditor or audit firm should be required to express an opinion based on a reasonable assurance engagement about the compliance of the sustainability reporting with Union requirements, ***should the Commission adopt assurance standards for reasonable assurance of sustainability reporting***. This would also allow for the progressive development of the assurance market for sustainability information, and of undertakings' reporting practices. Finally, this progressive approach would phase in the increase in costs for reporting undertakings, given that reasonable assurance is more costly than limited assurance.

forward looking and qualitative disclosures. Therefore, a progressive approach to enhance the level of the assurance required for sustainability information should be considered, starting with an obligation on the statutory auditor or audit firm to express an opinion about the compliance of the sustainability reporting with Union requirements based on a limited assurance engagement. This opinion should cover the compliance of the sustainability reporting with Union sustainability reporting standards, the process carried out by the undertaking to identify the information reported pursuant to the sustainability reporting standards and compliance with the requirement to mark-up sustainability reporting. The auditor should also assess whether the undertaking's reporting complies with the reporting requirements of Article 8 of Regulation (EU) 2020/852. To guarantee a common understanding and expectations of what a reasonable assurance engagement would consist of, the ***Commission should adopt assurance standards for reasonable assurance of sustainability reporting by 31 October 2023***. The statutory auditor or audit firm should ***then*** be required to express an opinion based on a reasonable assurance engagement about the compliance of the sustainability reporting with Union requirements. This would also allow for the progressive development of the assurance market for sustainability information, and of undertakings' reporting practices. Finally, this progressive approach would phase in the increase in costs for reporting undertakings, given that reasonable assurance is more costly than limited assurance.

Or. en

**Amendment 225**  
**Gunnar Beck, Charlie Weimers**

**Proposal for a directive**  
**Recital 53**

(53) The assurance profession distinguishes between limited and reasonable assurance engagements. The conclusion of a limited assurance engagement is usually provided in a negative form of expression by stating that no matter has been identified by the practitioner to conclude that the subject matter is materially misstated. The auditor performs fewer tests than in a reasonable assurance engagement. The amount of work for a limited assurance engagement is therefore less than for reasonable assurance. The work effort in a reasonable assurance engagement entails extensive procedures including consideration of internal controls of the reporting undertaking and substantive testing, and is therefore significantly higher than in a limited assurance engagement. The conclusion of this type of engagement is usually provided in a positive form of expression and states an opinion on the measurement of the subject matter against previously defined criteria. Article 19a(5) and Article 29a(5) of Directive 2013/34/EU require Member States to ensure that the statutory auditor or audit firm checks whether the non-financial statement or the separate report has been provided. It does not require that an independent provider of assurance services verifies the information, although it allows Member States to require such verification where they wish to. The absence of an assurance requirement on sustainability reporting, in contrast to the requirement for the statutory auditor to perform a reasonable assurance engagement on financial statements, would threaten the credibility of the sustainability information disclosed, thus failing to meet the needs of the intended users of that information. Although the objective is to have a similar level of assurance for financial and sustainability reporting, the absence of a commonly agreed standard for the

(53) The assurance profession distinguishes between limited and reasonable assurance engagements. The conclusion of a limited assurance engagement is usually provided in a negative form of expression by stating that no matter has been identified by the practitioner to conclude that the subject matter is materially misstated. The auditor performs fewer tests than in a reasonable assurance engagement. The amount of work for a limited assurance engagement is therefore less than for reasonable assurance. The work effort in a reasonable assurance engagement entails extensive procedures including consideration of internal controls of the reporting undertaking and substantive testing, and is therefore significantly higher than in a limited assurance engagement. The conclusion of this type of engagement is usually provided in a positive form of expression and states an opinion on the measurement of the subject matter against previously defined criteria. Article 19a(5) and Article 29a(5) of Directive 2013/34/EU require Member States to ensure that the statutory auditor or audit firm checks whether the non-financial statement or the separate report has been provided. It does not require that an independent provider of assurance services verifies the information, although it allows Member States to require such verification where they wish to. The absence of an assurance requirement on sustainability reporting, in contrast to the requirement for the statutory auditor to perform a reasonable assurance engagement on financial statements, would threaten the credibility of the sustainability information disclosed, thus failing to meet the needs of the intended users of that information. Although the objective is to have a similar level of assurance for financial and sustainability reporting, the absence of a commonly agreed standard for the

assurance of sustainability reporting creates the risk of different understandings and expectations of what a reasonable assurance engagement would consist of for different categories of sustainability information, *especially with regard to forward looking and qualitative disclosures*. Therefore, a *progressive* approach to enhance the level of the assurance required for sustainability information should be considered, starting with an obligation on the statutory auditor or audit firm to express an opinion about the compliance of the sustainability reporting with Union requirements based on a limited assurance engagement. This opinion should cover the compliance of the sustainability reporting with Union sustainability reporting standards, the process carried out by the undertaking to identify the information reported pursuant to the sustainability reporting standards and compliance with the requirement to mark-up sustainability reporting. The auditor should also assess whether the undertaking's reporting complies with the reporting requirements of Article 8 of Regulation (EU) 2020/852. To guarantee a common understanding and expectations of what a reasonable assurance engagement would consist of, the statutory auditor or audit firm should be required to express an opinion based on a reasonable assurance engagement about the compliance of the sustainability reporting with Union requirements, should the Commission adopt assurance standards for reasonable assurance of sustainability reporting. This would also allow for the progressive development of the assurance market for sustainability information, and of undertakings' reporting practices. Finally, this progressive approach would phase in the increase in costs for reporting undertakings, given that reasonable assurance is more costly than limited assurance.

assurance of sustainability reporting creates the risk of different understandings and expectations of what a reasonable assurance engagement would consist of for different categories of sustainability information. Therefore, a *comprehensive* approach to enhance the level of the assurance required for sustainability information should be considered, starting with an obligation on the statutory auditor or audit firm to express an opinion about the compliance of the sustainability reporting with Union requirements based on a limited assurance engagement. This opinion should cover the compliance of the sustainability reporting with Union sustainability reporting standards, the process carried out by the undertaking to identify the information reported pursuant to the sustainability reporting standards and compliance with the requirement to mark-up sustainability reporting. The auditor should also assess whether the undertaking's reporting complies with the reporting requirements of Article 8 of Regulation (EU) 2020/852. To guarantee a common understanding and expectations of what a reasonable assurance engagement would consist of, the statutory auditor or audit firm should be required to express an opinion based on a reasonable assurance engagement about the compliance of the sustainability reporting with Union requirements, should the Commission adopt assurance standards for reasonable assurance of sustainability reporting. This would also allow for the progressive development of the assurance market for sustainability information, and of undertakings' reporting practices. Finally, this progressive approach would phase in the increase in costs for reporting undertakings, given that reasonable assurance is more costly than limited assurance.

Or. en

**Amendment 226**

**Manon Aubry**

**Proposal for a directive**

**Recital 54 a (new)**

*Text proposed by the Commission*

*Amendment*

***(54a) To guarantee the independence of the assurance of sustainability information, in case an undertaking relies on statutory auditors, audit firm or independent assurance services firms in the design, implementation or assessment of their due diligence process, it should not in addition request assurance of sustainability reporting from the same entity.***

Or. en

**Amendment 227**

**Markus Ferber**

**Proposal for a directive**

**Recital 56**

*Text proposed by the Commission*

*Amendment*

(56) The rules on the approval and recognition of statutory auditors and audit firms should ensure that statutory auditors have the necessary level of theoretical knowledge of subjects relevant to the assurance of sustainability reporting and the ability to apply such knowledge in practice. However, statutory auditors that have already been approved or recognised by a Member State should continue to be allowed to carry out statutory audits and should be allowed to carry out assurance engagements of sustainability reporting. Member States should, however, ensure that already approved statutory auditors acquire the necessary knowledge in sustainability reporting and the assurance

(56) The rules on the approval and recognition of statutory auditors and audit firms should ensure that statutory auditors have the necessary level of theoretical knowledge of subjects relevant to the assurance of sustainability reporting and the ability to apply such knowledge in practice. However, statutory auditors that have already been approved or recognised by a Member State should continue to be allowed to carry out statutory audits and should be allowed to carry out assurance engagements of sustainability reporting. Member States should, however, ensure that already approved statutory auditors acquire the necessary knowledge in sustainability reporting and the assurance

of sustainability reporting via continued professional education.

of sustainability reporting via continued professional education. ***Nothing in this directive shall prevent statutory auditors from also performing assurance work.***

Or. en

**Amendment 228**  
**Jessica Stegrud**

**Proposal for a directive**  
**Recital 59**

*Text proposed by the Commission*

*Amendment*

***(59) In order to provide for uniform assurance practices and high quality assurance of sustainability reporting across the Union, the Commission should be empowered to adopt sustainability assurance standards by means of delegated acts. Member States should apply national assurance standards, procedures or requirements as long as the Commission has not adopted an assurance standard covering the same subject matter. These assurance standards should set out the procedures that the auditor shall perform in order to draw its conclusions on the assurance of sustainability reporting.***

***deleted***

Or. en

**Amendment 229**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 60**

*Text proposed by the Commission*

*Amendment*

**(60) Article 27 of Directive 2006/43/EC sets out rules on the statutory audit of a group of undertakings. Those rules should be extended to the assurance of**

**(60) Article 27 of Directive 2006/43/EC sets out rules on the statutory audit of a group of undertakings. Those rules should be extended to the assurance of**

consolidated sustainability reporting,  
*where the statutory auditor performs the  
statutory audit.*

consolidated sustainability reporting.

Or. en

**Amendment 230**  
**Manon Aubry**

**Proposal for a directive**  
**Recital 63 a (new)**

*Text proposed by the Commission*

*Amendment*

***(63a) Directive 2006/43/EC doesn't require Member States to allow users to submit complaints against undertakings or statutory auditors or audit firms in case of a breach of the sustainability reporting and assurance requirements. Trade unions, consumer associations, civil society organisations in particular and members of the public in general should be able to file a complaint if they are aware of a violation of those requirements. The Member State shall examine the complaint, decide whether the statutory auditor or audit firm has breached its obligation and provide for adequate sanctions. This would give a recourse to users and actors potentially concerned by an undertaking's incorrect sustainability reporting and allow for a better enforcement of the Directive.***

Or. en

**Amendment 231**  
**Michiel Hoogeveen**

**Proposal for a directive**  
**Recital 71**

*Text proposed by the Commission*

*Amendment*

**(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.**

**deleted**

Or. en

#### **Amendment 232**

**Markus Ferber**

#### **Proposal for a directive**

#### **Recital 71**

*Text proposed by the Commission*

*Amendment*

**(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.**

**deleted**

Or. en

#### **Amendment 233**

**Sirpa Pietikäinen**

#### **Proposal for a directive**

#### **Recital 71**

*Text proposed by the Commission*

(71) **Member States are invited to** assess the impact of **their** transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. **Member States should consider introducing measures** to support SMEs in applying the voluntary simplified reporting standards.

*Amendment*

(71) **The Commission will** assess the impact of **the** transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. To support SMEs in applying the voluntary simplified reporting standards **the Commission shall create an online tool to facilitate reporting in small and medium-sized enterprises, in order to avoid excessive administrative burden for SMEs under 250 employees, this should be done through a free of charge, easy to use and accessible online tool.**

Or. en

*Justification*

*A tool such as Online Interactive Risk Assessment (<https://oiraproject.eu/en>) with online reporting with adequate tools and instructions.*

**Amendment 234**

**Othmar Karas**

**Proposal for a directive**

**Recital 71**

*Text proposed by the Commission*

(71) **Member States are invited** to assess the impact of their **transposition** act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention **to micro-enterprises and** to the administrative burden, and to publish the results of such assessments. **Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.**

*Amendment*

(71) **Before reporting standards are introduced for SMEs, the Commission needs** to assess the impact of their act on SMEs in order to ensure that they are not disproportionately affected, **e.g. by multiplication effects or indirect costs**, giving specific attention to the administrative burden, and to publish the results of such assessments.

Or. en



## Amendment 235

Manon Aubry

### Proposal for a directive

#### Recital 71

##### *Text proposed by the Commission*

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.

##### *Amendment*

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they ***provide the necessary information on sustainability matters and impacts*** but are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.

Or. en

## Amendment 236

Gabriele Bischoff, Aurore Lalucq, Paul Tang, Pedro Marques, Evelyn Regner, Joachim Schuster, Marc Angel

### Proposal for a directive

#### Recital 71

##### *Text proposed by the Commission*

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises ***and to the administrative burden***, and to publish the results of such assessments. Member States should ***consider introducing*** measures to support SMEs in applying the ***voluntary simplified*** reporting standards.

##### *Amendment*

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises, and to publish the results of such assessments. Member States should ***introduce*** measures to support SMEs in applying the reporting standards.

Or. en

**Amendment 237**

**Esther de Lange**

**Proposal for a directive**

**Recital 71**

*Text proposed by the Commission*

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. Member States should consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.

*Amendment*

(71) Member States are invited to assess the impact of their transposition act on SMEs in order to ensure that they are not disproportionately affected, giving specific attention to micro-enterprises and to the administrative burden, and to publish the results of such assessments. Member States should ***also*** consider introducing measures to support SMEs in applying the voluntary simplified reporting standards.

Or. en