



**2021/0104(COD)**

23.02.2022

# **COMPROMISE AMENDMENTS**

## **1 - 74**

### **Draft opinion**

**Kira Marie Peter-Hansen**

(PE699.174v02-00)

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 A**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 58, 59, 60, 66

**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 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

*Amendment*

(8) The ultimate beneficiaries of better sustainability reporting by undertakings are individual citizens, *including workers*, and savers, *as well as the economy as a whole. Public authorities and policy makers will have better information at their disposal in order to design and implement public policies. Trade unions and workers' representatives will be adequately informed in order to be able to better engage in social dialogue.* 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 *three* primary groups ('users'). The first *group of users consist of 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 *reputation and* investments and the impacts of those investments on people, *in particular workers*, 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,

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.

the sustainability risks and impacts through their own value chains. Policy makers, **social partners, non-governmental organisations** 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 social progress**, and to inform public policy. **However, this Directive should by no means be interpreted as relieving public authorities of their duties or social partners of their responsibilities beyond disclosed sustainability issues.** 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 B** **Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 1, 63, 64, 65

### **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 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

#### *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 **and the European institutions.** That increase in demand is driven by the changing nature of risks to undertakings and growing investor awareness of the financial **and reputational** implications of

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.

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 ***child and forced labour, discrimination and*** 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 ***and accelerated*** the vulnerabilities of workers, ***particularly women and undeclared 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.

Or. en

**Amendment C**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 2, 69, 70

**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

*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.

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 *sustainability information could limit the ability of trade unions and workers' representatives to enter into social dialogue with undertakings on sustainability matters.* The lack of (2) 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.

Or. en

**Amendment D**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 56, 61, 68, 3, 75, 73 and 80

**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 should continue to* apply to large undertakings that are public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent undertakings of a large group with an average number of employees in excess of 500 on a consolidated basis, respectively. 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, *and medium-sized undertakings in high-risk economic activity sectors* to report sustainability information. In addition, all undertakings that are parent undertakings of large groups should prepare sustainability reporting at group level *based on individual reports by subsidiary undertakings. Notwithstanding their legal form, undertakings registered as foundations, partnerships or similar structures fulfilling the criteria for undertakings under articles 1 and 19a (1), particularly as regards the thresholds concerning their balance sheets, number of employees and annual turnover, should also be considered under the scope of this directive.*

Or. en

**Amendment E**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 4, 76, 77, 78

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

*Text proposed by the Commission*

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

*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 *to ensure a level playing field*. In addition, financial market participants also need information from those large non-listed undertakings.

Or. en

**Amendment F**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 79

**Proposal for a directive**  
**Recital 17 a (new)**

*Text proposed by the Commission*

*Amendment*

*(17 a) 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 the Union. Such undertakings should be subject to the same obligations as those established in the territory of the Union.*

Or. en



**Amendment G**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 81, 83, 5, 82 and 84

**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

*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 **and employ 65 per cent of all employees** in the Union, in order to ensure investor protection **and positive social and environmental impacts of their business operations**, it is appropriate to require that also those SMEs **as well as medium-sized undertakings in high-risk economic activity sectors** 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 transition 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 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 **and medium-sized undertakings in high-risk economic activity sectors** to financial capital, and avoid discrimination against such undertakings on the part of financial market participants **and will ensure a level playing field**. The introduction of this requirement is also necessary to ensure that

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.

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 **and medium-sized undertakings in high-risk economic activity sectors** 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. They should also be given the possibility to report according to standards that are proportionate to the capacities and resources of SMEs **without causing an excessive burden and requiring disproportionate efforts**. 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.

***(18 a) Medium-sized undertakings carrying out a high-risk economic activity should also be subject to sustainability reporting obligations. The Commission should be empowered to define a list of high-risk economic activity sectors in line with article 1 (paragraph 3a). In order to ensure that this Directive can also apply to such high-risk economic activity sectors they should be defined and the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union in respect of establishing a list of high-risk economic activity sectors should be delegated to the Commission. It is of particular importance that the Commission carry out appropriate consultations to be conducted in accordance with the principles laid down in the Interninstitutional Agreement on Better***

*Law-Making of 13 April 2016. In particular to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.*

Or. en

**Amendment H**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 7, 86

**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, ***including with regard to subsidiaries. The information provided by*** subsidiary undertakings ***should be included in the undertakings' own report to generate an aggregate, public overview country-by-country, where relevant, 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 I**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 9, 90

**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, 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.

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 **ensure respect for decent work, fair wages, and safeguard the rights and** interests of stakeholders, **including trade unions, and workers representatives**; 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 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 J** **Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 10, 91, 92

### **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

#### *Amendment*

(27) To ensure consistency with international instruments such as the UN Guiding Principles on Business and Human Rights, **the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**, and the

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.

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 actual and potential adverse impacts connected with their *operations and* 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 *severe* 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 K**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 11

**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. 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. 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. ***The level of detail provided in sustainability reports in relation to supply and value chains should depend on a risk analysis of potential impacts and may therefore vary between economic activities.***

Or. en

**Amendment L**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 12, 97, 106, 98

**Proposal for a directive**

**Recital 34**

*Text proposed by the Commission*

(34) The European Financial Reporting

AM\1245610EN.docx

*Amendment*

(34) The European Financial Reporting

15/52

PE703.009v01-00

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

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. ***However, the current structure, governance and functioning of EFRAG does not provide for the involvement of workers' representatives and civil society organisations. Important changes regarding the governance of EFRAG are necessary in order to prevent all conflicts of interests and guarantee the inclusion of non-corporate stakeholders.*** 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



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.

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 *in consultation* with relevant stakeholders, *including the social partners, NGOs and consumer organisations, 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 European Parliament and of the Council<sup>54</sup>, ESMA also plays *arole* 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, *European Foundation for the*

***Improvement of Living and Working Conditions, the European Agency for Safety and Health at Work, the European Institute for Gender Equality, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance, as well as relevant stakeholders, in particular trade unions and civil society organisations,*** 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).

---

<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 M**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 13, 105-112

**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

*Amendment*

(43) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including ***working conditions, workers' rights, social partner involvement, collective bargaining, equality, non-discrimination, prevention of workplace violence and harassment***

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.

**diversity and inclusion**, and human rights. Such information should **be disclosed country-by country, where relevant, in close consultation with trade unions and worker's representatives and** cover the impacts of undertakings on **its workers**, people **and** on human health. **Where the administrative or management body of the undertaking receives an opinion on the sustainability report from the representatives of workers, it should append that opinion to the sustainability report, if this is provided for under national law and practices.** The information that undertakings disclose about human rights should include information about forced labour **and child labour** in their value chains where relevant. **Reporting requirements on forced labour should not replace the public authorities' responsibility to address import of goods, produced as a result of human rights abuses, including forced labour, through trade policy and diplomatic means. Undertakings may also report on possible risks and negative trends regarding employment and incomes due to the absence of a just transition process.** Reporting standards that address social factors should specify the information that undertakings should disclose with regard to the **20** principles of the European Pillar of Social Rights, **particularly** equal opportunities for all and **fair** 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, **including the UN Convention on the Rights of Persons with Disabilities, the UN Declaration on the Rights of Indigenous Peoples, the UN Convention**

*on the Rights of the Child, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the International Labour Organisation, the International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, including the list of relevant standards under its Annex I, the European Convention of Human Rights, the (revised) European Social Charter, the Charter of Fundamental Rights of the European Union and the OECD Guidelines for Multinational Enterprises. The reporting on social factors should be proportionate to the scope and the goals of this Directive.*

Or. en

**Amendment N**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 14, 54, 113

**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

*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, **particularly with regard to workers' and women's participation**, and an undertaking's internal control and risk management systems, including in relation to the reporting process. **Diversity on company boards contributes to better decision making, corporate governance and resilience<sup>1a</sup>**. Users also need information about undertakings' corporate

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.

---

<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).

culture approach to business ethics, including anti-corruption and anti-bribery, and about their political engagements, including lobbying activities.

***Undertakings shall also provide information on the CEO to worker pay ratio.*** 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.

---

***1a COM(2020) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Union of Equality: Gender Equality: Strategy 2020-2025, 5.3.2020***

<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 O**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 16, 116, 117

**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 for structured data.

*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 **and fully accessible, including for persons with disabilities, as per the Directive 2019/882 on the accessibility requirements for products and services**. 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.

---

<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)

---

<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 P** **Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 17, 119, 118

### **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

#### *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 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.

diversity. In order progress towards a more gender-balanced participation in economic decision-making **and gender equality in general**, it is necessary to ensure that undertakings with securities listed on regulated markets always report on their gender diversity policies and the implementation thereof, **in particular with respect to reaching at least 40 per cent representation in company boards and compliance with pay transparency requirements**. 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.

Or. en

#### **Amendment Q** **Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 18, 122-124

#### **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 **unreasonable** administrative burden, and to publish the results of such assessments. Member States should **introduce** measures to support **undertakings, in particular SMEs**, in applying the reporting standards.

Or. en



**Amendment 1**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 125, 19, 20, 126, 127, 185, 186, 228, 46 and 49

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

*Text proposed by the Commission*

(1) in Article 1, the following paragraph 3 *is* added:

*Amendment*

(1) in Article 1, the following paragraph 3 **and 4 are** added:

Or. en

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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

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

**3 a. The Commission shall be empowered to adopt delegated acts in accordance with Article 49 to establish and amend the list of high-risk economic activity sectors set out in Article 2, point (20a).**

**The list shall take into account the work of the Platform on Sustainable Finance established in accordance with Article 20 of Regulation (EU) 2020/852, existing EU sector-specific legislation, sector-specific disclosures in recognised international reporting frameworks such as the GRI, the OECD Due Diligence Guidance for Responsible Business Conduct and research and data from relevant EU agencies, such as Eurofound and OSHA. The definitions of the list shall take into account the NACE classification.**

**When establishing the list, the Commission shall take into consideration the following non-exhaustive list of high-risk economic activity sectors:**

- ) Minerals**
- ) Garments and footwear**
- ) Agriculture**
- ) Extractive industries**
- ) Financial<sup>1a</sup>**

**The European Commission shall guarantee the meaningful participation of stakeholders, including trade unions and civil society organisations, in the process of the establishment and amendment of the list.**

**The power to adopt a delegated acts shall be conferred on the Commission for a period of three years from ... [date of entry into force of the basic legislative act or any other date set by the co-legislators]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of**

*the three-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period;*

---

*<sup>1a</sup> OECD*

Or. en

**Amendment 2**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 21, 22, 23, 128, 129

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2013/34/EU  
Article 2 – paragraph 20 a (new)

*Text proposed by the Commission*

*Amendment*

*(20 a) high-risk economic activity sector means activities that are associated with a high likelihood of actual or potential impacts on sustainability matters;*

Or. en

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2013/34/EU  
Article 2 – paragraph 20 c (new)

*Text proposed by the Commission*

*Amendment*

*(20b) Severe impacts are adverse impacts on people and the environment linked to the undertaking's own operations, its products and services, its business relationships and its subsidiaries, based on the gravity of the impact on the*

*sustainability matter, the number of individuals that are or could be affected, or the scale of the damage to the environment; the ease with which the harm could be remediated, restoring the environment or affected people to their prior state; and which cause the greatest harm relative to other impacts the undertaking has identified<sup>1a</sup>;*

---

*<sup>1a</sup> Definition of severe impacts is based on the UN Guiding Principles for Business and Human Rights (Principles 21, 24) and the OECD Guidance for Due Diligence (page 42)*

Or. en

**Amendment 3**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 134, 135, 133, 130, 131, 132, 24, 25, 136, 138, 30, 177 and 257

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

*Text proposed by the Commission*

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

*Amendment*

1. Large undertakings and, as of 1 January 2026, small and medium-sized undertakings which are undertakings referred to in Article 2, point (1), point (a), ***medium-sized undertakings operating in high-risk economic activity sectors , undertakings registered in a non-EU/EEA country with significant business in the EU and public interest entities*** shall include in the management report information necessary to understand the undertaking's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking's development,

performance and position.

Or. en

#### **Amendment 4**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 141, 142, 148, 26, 152 and 153

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

##### **Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19 a – paragraph 2 – subparagraph 1 – point a – point ii

*Text proposed by the Commission*

*Amendment*

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

(ii) the opportunities, ***weaknesses and risks*** for the undertaking related to sustainability matters;

Or. en

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

##### **Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19 a – paragraph 2 – subparagraph 1 – point a – point ii

*Text proposed by the Commission*

*Amendment*

***(ii a) the assessment by the undertaking of its impacts on sustainability matters;***

Or. en

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

##### **Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19 a – paragraph 2 – subparagraph 1 – point a – point ii

*Text proposed by the Commission*

*Amendment*

***(ii b) the plans of the undertaking to ensure that its business model and***

*strategy are consistent with securing employment in the EU and promoting fair working conditions as defined in the European Pillar of Social Rights;*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 2 – point a – point iv

*Text proposed by the Commission*

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

*Amendment*

(iv) how the undertaking's business model and strategy take account of the interests of the undertaking's stakeholders, ***in particular trade unions and workers representatives***, and of the impacts of the undertaking on sustainability matters;

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 2 – subparagraph 1 – point b

*Text proposed by the Commission*

(c) a description of the role of the administrative, management and supervisory bodies with regard to sustainability matters;

*Amendment*

(c) a description of the role of the administrative, management and supervisory bodies with regard to sustainability matters, ***including with regard to:***

***(c a) (i) their engagement in the analysis of main risks and opportunities for the undertaking;***

***(c b) (ii) approval of the undertaking's strategy and targets and the financial resources for their implementation;***

***(c c) (iii) specific oversight on the implementation of the undertaking's strategy;***

*(c d) (iv) expertise on sustainability matters;*

Or. en

## **Amendment 5**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 27, 147, 155, 156, 157, 158, 159, 160, 162, 166, 167, 28, 172 and 188

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 2 – subparagraph 1 – point e – point i

#### *Text proposed by the Commission*

(i) the due diligence process implemented with regard to sustainability matters;

#### *Amendment*

(i) the due diligence process, **as defined under EU and international standards**, implemented with regard to sustainability matters **as defined under article 19 b**.

Or. en

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 2 – point e – point ii

#### *Text proposed by the Commission*

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

#### *Amendment*

(ii) the actual or potential adverse impacts connected with the undertaking's value chain **as identified through the due diligence process**, including its own operations, its products and services, its business relationships and its supply chain;

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 2 – subparagraph 1 – point e – point iii a (new)

*Text proposed by the Commission*

*Amendment*

***(iii a) any measures providing for vocational training and upskilling in relation to restructuring, particularly in vulnerable regions and sectors;***

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 3 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

***Where appropriate***, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking's value chain, including the undertaking's own operations, products and services, its business relationships and its supply chain.

The information referred to in paragraphs 1 and 2 shall contain information about the undertaking's value chain, including the undertaking's own operations, ***workforce***, products and services, its business relationships and its supply chain, ***and where relevant its investments and assets***. ***The undertaking shall adjust reporting on its supply and value chain based on a risk analysis of potential impacts. The Commission shall be empowered to adopt a delegated act to provide criteria for establishing this risk analysis based on existing EU legislation and relevant international standards;***

Or. en

**Amendment 6**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 168, 169, 170, 174, 175, 30, 177, 179, 180, 181, 182, 183, 33 and 34



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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

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

*Text proposed by the Commission*

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

*Amendment*

5. Medium sized undertakings **in high-risk economic activity sectors shall report in accordance with the sustainability reporting standards** referred to in Article **19c**. **Small undertakings** may report in accordance with the sustainability reporting standards referred to in Article 19c.

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a – paragraph 7 – subparagraph 1

*Text proposed by the Commission*

*Amendment*

7. *An undertaking which is a subsidiary undertaking shall be exempted from the obligations set out in paragraphs 1 to 4 if that undertaking and its subsidiary undertakings are included in the consolidated management report of a parent undertaking, drawn up in accordance with Articles 29 and 29a. An undertaking that is a subsidiary undertaking from a parent undertaking that is established in a third country shall also be exempted from the obligations set out in paragraphs 1 to 4 where that undertaking and its subsidiary undertakings are included in the consolidated management report of that parent undertaking and where the consolidated management report is drawn up in a manner that may be considered equivalent, in accordance with the relevant implementing measures adopted pursuant to Article 23(4), point (i), of Directive 2004/109/EC of the European Parliament and of the Council\*<sup>6</sup>, to the manner required by the sustainability reporting standards referred to in Article 19b of this Directive.*

*deleted*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Amendments to Directive 2013/34/EU

Article 19a – paragraph 7 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

The consolidated management report of the

The consolidated management report of the

parent undertaking *referred to in subparagraph 1* shall be published in accordance with Article 30, in the manner prescribed by the law of the Member State by which the undertaking *that is exempted from the obligations set out* in paragraphs 1 to 4 is governed.

parent undertaking shall be published in accordance with Article 30, in the manner prescribed by the law of the Member State by which the *parent* undertaking *which meets the requirements referred to* in paragraphs 1 to 4 is governed.

Or. en

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 3**

Amendments to Directive 2013/34/EU

Article 19a

#### *Text proposed by the Commission*

The Member State by which the undertaking *that is exempted from the obligations set out* in paragraphs 1 to 4 is governed, may require that the consolidated management report *referred to in the first subparagraph of this paragraph* is published in *an* official language *of the Member State* or in a language customary in the sphere of international finance, *and that any necessary translation into those languages is certified*.

#### *Amendment*

The Member State by which the *parent* undertaking *which meets the requirements referred to* in paragraphs 1 to 4 is governed may require that the consolidated management report is published in *its* official language or in a language customary in the sphere of international finance.

Or. en

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 3**

Directive 2013/34/EU

Article 19a

#### *Text proposed by the Commission*

The management report of *an* undertaking *that is exempted from the obligations set out* in paragraphs 1 to 4 shall contain all of the following information:

#### *Amendment*

The *consolidated* management report of *a parent* undertaking *which meets the requirements referred to* in paragraphs 1 to 4 shall contain all of the following information:

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

*Text proposed by the Commission*

(a) the name and registered office of the parent undertaking that reports information at group level in accordance with Articles 29 and **29a**, or in a manner that may be considered equivalent, in accordance with the implementing measures adopted pursuant to Article 23(4), **point** (i) of Directive 2004/109/EC, to the manner required by the sustainability **reporting** standards **referred to in** Article 19b;

*Amendment*

(a) the name and registered office of the parent undertaking that reports information at group level in accordance with Articles 29 and **this Article**, or in a manner that may be considered equivalent, in accordance with the **relevant** implementing measures adopted pursuant to Article 23(4)(i) of Directive 2004/109/EC, to the manner required by the sustainability standards **adopted pursuant** to Article 19b;

Or. en

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

*Text proposed by the Commission*

(b) the fact that the undertaking is exempted from the obligations set out in paragraphs **1 to 4 of this Article**.

*Amendment*

(b) the fact that the undertaking is exempted from the obligations set out in paragraph **2 (c) and (d)**;

Or. en

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

*Text proposed by the Commission*

*Amendment*

(c) *the name of each consolidated entity.*

Or. en

## **Amendment 7**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 187, 35, 188, 189, 191, 36, 192, 193, 194, 195, 199, 200, 201, 203, 206, 213, 40, 215, 220, 218 and 219

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19b – paragraph 1 – subparagraph 1 – point b – point ii

*Text proposed by the Commission*

*Amendment*

(ii) information that undertakings shall report that is specific to the sector in which they operate.

(ii) information that undertakings shall report that is specific to the sector in which they operate, *in particular the high-risk economic activity sectors.*

Or. en

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19 b – paragraph 1 – subparagraph 1 – point b – point ii b (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) the implementing rules for sustainability reporting for undertakings referred to in Article 3(7), which are governed by the law of a third country and are not established in the territory of the Union when they operate in the internal market selling goods or providing services.*

Or. en

## Proposal for a directive

### Article 1 – paragraph 1 – point 4

Directive 2013/34/EU

Article 19b – paragraph 1 – subparagraph 2

#### *Text proposed by the Commission*

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

#### *Amendment*

The Commission shall, at least every three years after its date of application, review any delegated act adopted pursuant to this Article, taking into consideration the technical advice of the European Financial Reporting Advisory Group (EFRAG), ***the Fundamental Rights Agency, the European Foundation for Living and Working Conditions, the European Agency for Safety and Health at Work, the European Institute for Gender Equality, and relevant stakeholders, including trade unions and civil society organisations at the European and national level,*** and where necessary shall amend such delegated act to take into account relevant developments, including developments with regard to international standards.

Or. en

## Proposal for a directive

### Article 1 – paragraph 1 – point 4

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 1

#### *Text proposed by the Commission*

2. The sustainability reporting standards referred to in paragraph 1 shall require that the information to be reported is understandable, relevant, representative, verifiable, comparable, and is represented in a faithful manner.

#### *Amendment*

2. The sustainability reporting standards referred to in paragraph 1 shall require that the information to be reported is understandable, ***accessible in particular for persons with disabilities*** relevant, representative, verifiable, comparable, and is represented in a faithful manner.

## Amendment 8

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 37, 197, 198, 201, 202, 204, 38, 205, 206, 207, 208, 209, 211, 39, 212, 213, 40, 214, 215, 216, 217, 41, 42, 221, 222, 223, 224 and 225

### Proposal for a directive

#### Article 1 – paragraph 1 – point 4

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 2 – point b – point i

#### *Text proposed by the Commission*

(i) equal opportunities for all, including gender equality and equal pay for equal *work*, training and skills development, and employment and inclusion of people with disabilities;

#### *Amendment*

(i) equal ***treatment and*** opportunities for all, including gender equality and equal pay for ***work of equal value, diversity at all levels, as defined under existing EU legislation, pay transparency, measures against violence and harassment***, training and skills development, ***in particular the rate and breakdown of workers participating in training*** and employment and inclusion of people with disabilities, ***specifying information on accessibility measures on a country-by-country basis, where relevant***;

Or. en

### Proposal for a directive

#### Article 1 – paragraph 1 – point 4

Directive 2013/34/EU

Article 19 b – paragraph 2 – subparagraph 2 – point b – point i b (new)

#### *Text proposed by the Commission*

(i a) ***the size of the workforce including through its operations and business activities, disaggregated by gender, on a country-by-country basis, where relevant***;

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19 b – paragraph 2 – subparagraph 2 – point b – point i b (new)

*Text proposed by the Commission*

*Amendment*

*(i b) existence of collective agreements and the coverage of workers therein, and the existence of work councils, including international work councils, in accordance with applicable law and practice;*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 2 – point b – point ii

*Text proposed by the Commission*

*Amendment*

(ii) working conditions, including secure **and adaptable** employment, wages, social dialogue, collective bargaining and the **involvement** of workers, work-life balance, and a **healthy, safe and well-adapted work** environment;

(ii) working conditions, including secure employment, **adequate and fair** wages, **working time**, social dialogue, **freedom of association**, collective bargaining and the **information, consultation and participation rights** of workers, **including with regard to their participation in administrative and supervisory boards**, work-life balance, **maternity, paternity and parental leave**, and a **health and safety, and the rate of workers injured and sick at work**;

***In accordance with the EU labour law acquis and national law and practice, the central management shall consult with the trade unions and workers' representatives at the beginning of the reporting period on the design of the reporting system, including the indicators included and the means of obtaining and verifying sustainability information.***



*Central management shall also consult trade unions and workers' representatives in the identification of risks and impacts of the undertaking on the environment and people.*

*Workers' representatives shall be provided with the necessary resources to ensure the effective exercise of the rights arising from this Directive. This shall include the support of an expert, where this is in line with national law and practice.*

*Member States shall ensure that workers' rights to information and consultation are respected in relation to sustainability reporting and are exercised in accordance with the existing EU legal framework, such as Directive 2002/14/EC, Directive 2009/38/EC, Directive 2001/86/EC and 2003/72/EC.*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 2 – point b – point iii

*Text proposed by the Commission*

(iii) respect for 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 and the ILO fundamental conventions **and** the Charter of Fundamental Rights of the European Union.

*Amendment*

(iii) respect for the human rights, fundamental freedoms, democratic principles and standards established in the International Bill of Human Rights, **the UN Guiding Principles on Business and Human Rights** and other core UN human rights conventions, **including the UN Convention on Persons with Disabilities, the UN Declaration on the Rights of Indigenous Peoples**, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the ILO fundamental **and governance** conventions, **the International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social**

*Policy, the European Convention of Human Rights, the revised European Social Charter, the Charter of Fundamental Rights of the European Union, the OECD Guidelines on Multinational Enterprises and the EU labour law acquis.*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 2 – point b – point iii a (new)

*Text proposed by the Commission*

*Amendment*

*(iii a) human rights impact assessments carried out by the relevant public authorities and the undertaking with respect to sustainability matters as defined under this Directive.*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 2 – point c – point ii

*Text proposed by the Commission*

*Amendment*

(ii) business ethics and corporate culture, including anti-corruption and anti-bribery;

(ii) business ethics and corporate culture, including *the assessment of corruption risks and* anti-corruption and anti-bribery *programmes, and whistleblowing procedures and results;*

Or. en

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19b – paragraph 2 – subparagraph 2 – point c – point v a (new)

*Text proposed by the Commission*

*Amendment*

**(v a) *the undertaking’s engagement with relevant stakeholders<sup>1a</sup>, in particular civil society, on sustainability matters and the undertaking’s social purpose;***

---

**<sup>1a</sup> *OECD Guidance Due Diligence for Responsible Business Conduct, p. 48***

Or. en

## **Amendment 9**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 227, 228, 230, 229 and 45

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 4**

Directive 2013/34/EU

Article 19c – paragraph 1

*Text proposed by the Commission*

*Amendment*

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

The Commission shall adopt, ***by 31 October 2024 at the latest***, delegated acts in accordance with Article 49 to provide for sustainability reporting standards proportionate to the capacities and characteristics of small and medium-sized undertakings. Those sustainability reporting standards shall specify ***how SMEs shall report on*** information referred to in Articles 19a and 29a. They shall take into account the criteria set out in Article 19b, paragraphs 2 and 3. They shall also, where relevant, specify the structure in which that information shall be reported.

Or. en

**Amendment 10**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 231, 232, 46 and 233

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

*Text proposed by the Commission*

1. Undertakings subject to Article 19a shall prepare their financial statements and their management report in a single electronic reporting format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815\*<sup>15</sup> and shall mark-up their sustainability reporting, including the disclosures laid down in Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation.

*Amendment*

1. Undertakings subject to Article 19a shall prepare their financial statements and their management report in a single electronic reporting format in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815\*<sup>15</sup>, **Directive 2019/882** and shall mark-up their sustainability reporting, including the disclosures laid down in Article 8 of Regulation (EU) 2020/852, in accordance with that Delegated Regulation.

Or. en

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

*Text proposed by the Commission*

1 a. **Electronic financial statements and management reports shall follow relevant access requirements laid down in the Directive 2019/882 on the accessibility requirements for products and services in order to become accessible for wider audiences.**

*Amendment*

**1 a. Electronic financial statements and management reports shall follow relevant access requirements laid down in the Directive 2019/882 on the accessibility requirements for products and services in order to become accessible for wider audiences.**

Or. en

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

Directive 2013/34/EU  
Article 19d – paragraph 2

*Text proposed by the Commission*

2. Undertakings subject to Article 29a shall prepare their consolidated financial statements and their consolidated management report in a single electronic reporting format in accordance with Article 3 of Delegated Regulation (EU) 2019/815 and shall mark-up sustainability reporting, including the disclosures laid down in Article 8 of Regulation (EU) 2020/852.

*Amendment*

2. Undertakings subject to Article 29a shall prepare their consolidated financial statements and their consolidated management report in a single electronic reporting format in accordance with Article 3 of Delegated Regulation (EU) 2019/815, **Directive 2019/882** and shall mark-up sustainability reporting, including the disclosures laid down in Article 8 of Regulation (EU) 2020/852.

Or. en

## **Amendment 11** **Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 234, 235, 236 and 47

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 5 – point a**  
Directive 2013/34/EU  
Article 20 – paragraph 1 – point g

*Text proposed by the Commission*

(g) a description of the diversity policy applied in relation to the undertaking's administrative, management and supervisory bodies with regard to gender and other aspects such as, age, or educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case.;

*Amendment*

(g) a description of the diversity **and inclusion** policy applied in relation to the undertaking's administrative, management and supervisory bodies with regard to gender **equality, anti-discrimination, minority and vulnerable groups** and other aspects such as, age, or educational and professional backgrounds **or disabilities**, the objectives of that diversity policy, how it has been **established and** implemented and the results in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case;

Or. en

**Amendment 12**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 238, 237, 239, 240, 241, 242, 244 and 246

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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 7**  
Directive 2013/34/EU  
Article 29a – paragraph 2 – subparagraph 1 – point a – point iii a (new)

*Text proposed by the Commission*

*Amendment*

***(iii a) the policies of the undertaking on diversity and gender equality, especially pay transparency, equal pay for work or work of equal value, equal opportunities and diversity in its management;***

Or. en

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

*Text proposed by the Commission*

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

*Amendment*

(iv) how the group's business model and strategy **taking** account of the interests of the group's stakeholders, **in particular trade unions and workers**, and of the impacts of the group on sustainability matters;

Or. en

**Amendment 13**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 243 and 244

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 2 – subparagraph 1 – point e – point i

*Text proposed by the Commission*

(i) the due diligence process implemented with regard to sustainability matters;

*Amendment*

(i) the due diligence process implemented with regard to sustainability matters, **as defined under article 19b**;

Or. en

**Amendment 14**

**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 245 and 247

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 2 – subparagraph 1 – point e – point iii a (new)

*Text proposed by the Commission*

*Amendment*

**(iii a) any measures providing for vocational training and upskilling in relation to restructuring, particularly in**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 3 – subparagraph 4

*Text proposed by the Commission*

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

*Amendment*

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

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU

Article 29a – paragraph 7

*Text proposed by the Commission*

7. ***A parent undertaking which is also a subsidiary undertaking shall be exempted from the obligation set out in paragraphs 1 to 4 if that exempted parent undertaking and its subsidiaries are***

*Amendment*

***deleted***



*included in the consolidated management report of another undertaking, drawn up in accordance with Article 29 and this Article. A parent undertaking that is a subsidiary undertaking from a parent undertaking that is established in a third country shall also be exempted from the obligations set out in paragraphs 1 to 4 where that undertaking and its subsidiary undertakings are included in the consolidated management report of that parent undertaking and where the consolidated management report is drawn up in a manner that may be considered equivalent, in accordance with the relevant implementing measures adopted pursuant to Article 23(4)(i) of Directive 2004/109/EC, to the manner required by the sustainability reporting standards referred to in Article 19b of this Directive.*

Or. en

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

*Text proposed by the Commission*

The consolidated management report of the parent undertaking referred to in subparagraph 1 shall be published in accordance with Article 30, in the manner prescribed by the law of the Member State by which the parent undertaking *that is exempted from the obligations set out* in paragraphs 1 to 4 is governed.

*Amendment*

The consolidated management report of the parent undertaking referred to in subparagraph 1 shall be published in accordance with Article 30, in the manner prescribed by the law of the Member State by which the parent undertaking *which meets the requirements referred to* in paragraphs 1 to 4 is governed.

Or. en

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 7**

Directive 2013/34/EU  
Article 29a – paragraph 7

*Text proposed by the Commission*

The Member State by which the parent undertaking ***that is exempted from the obligations set out*** in paragraphs 1 to 4 is governed may require that the consolidated management report ***referred to in in the first subparagraph of this paragraph*** is published in its official language or in a language customary in the sphere of international finance, ***and that any necessary translation into those languages is certified.***

*Amendment*

The Member State by which the parent undertaking ***which meets the requirements referred to*** in paragraphs 1 to 4 is governed may require that the consolidated management report is published in its official language or in a language customary in the sphere of international finance.

Or. en

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

*Text proposed by the Commission*

The consolidated management report of a parent undertaking ***that is exempted from the obligations set out*** in paragraphs 1 to 4 shall contain all of the following information:

*Amendment*

The consolidated management report of a parent undertaking ***which meets the requirements referred to*** in paragraphs 1 to 4 shall contain all of the following information:

Or. en

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

*Text proposed by the Commission*

(a) the name and registered office of the parent undertaking that reports information at group level in accordance with Articles 29 and this Article, or in a

*Amendment*

(a) the name and registered office of the parent undertaking that reports information at group level in accordance with Articles 29 and this Article, or in a

manner that may be considered equivalent, in accordance with the relevant implementing measures adopted pursuant to Article 23(4)(i) of Directive 2004/109/EC, to the manner required by the sustainability standards adopted pursuant to Article 19b;

manner that may be considered equivalent, in accordance with the relevant implementing measures adopted pursuant to Article 23(4)(i) of Directive 2004/109/EC, to the manner required by the sustainability standards adopted pursuant to Article 19b;

Or. en

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

*Text proposed by the Commission*

(b) the fact that the undertaking is exempted from the obligations set out in paragraphs *1 to 4 of this Article*;

*Amendment*

(b) the fact that the undertaking is exempted from the obligations set out in paragraph 2 (c) *and (d)*;

Or. en

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

*Text proposed by the Commission*

*Amendment*

(c) *the name of each consolidated entity.*

Or. en

**Amendment 15**  
**Kira Marie Peter-Hansen**

Compromise amendment replacing Amendment(s): 50, 254

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

*Text proposed by the Commission*

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

*Amendment*

After consulting ***the relevant EU agencies, such as*** the European Environment Agency and the European Union Agency for Fundamental Rights, ***Eurofound, the European Institute for Gender Equality, EU-OSHA as well as relevant stakeholders, in particular trade unions and civil society organisations,*** ESMA shall issue guidelines in accordance with Article 16 of Regulation 1095/2010 on the supervision of sustainability reporting by national competent authorities.

Or. en