



2022/0051(COD)

7.11.2022

**\*\*\*I**

## **DRAFT REPORT**

on the proposal for a directive of the European Parliament and of the Council  
on Corporate Sustainability Due Diligence and amending Directive (EU)  
2019/1937  
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))

Committee on Legal Affairs

Rapporteur: Lara Wolters  
Rapporteurs for the opinions of associated  
committees pursuant to Rule 57 of the Rules of Procedure:  
Raphaël Glucksmann, Committee on Foreign Affairs  
Barry Andrews, Committee on International Trade  
René Repasi, Committee on Economic and Monetary Affairs  
Samira Rafaela, Committee on Employment and Social Affairs  
Tiemo Wölken, Committee on Environment, Public Health and Food Safety

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a directive of the European Parliament and of the Council  
Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937  
(COM(2022)0071 – C9-0050/2022 – 2022/0051(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2022)0071),
  - having regard to Article 294(2), Article 50(1) and (2)(g) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0050/2022),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the European Economic and Social Committee of 14 July 2022<sup>1</sup>,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the opinions of the Committee on Foreign Affairs, Committee on International Trade, Committee on Economic and Monetary Affairs, Committee on Employment and Social Affairs, Committee on the Environment, Public Health and Food Safety, Committee on Development, Committee on Industry, Research and Energy, Committee on the Internal Market and Consumer Protection,
  - having regard to the report of the Committee on Legal Affairs (A9-0000/2022),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

### **Amendment 1**

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

#### **Recital 4**

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<sup>1</sup> Not yet published in the Official Journal.

*Text proposed by the Commission*

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

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<sup>77</sup> ‘Enterprise Models and the EU agenda’, CEPS Policy Insights, No PI2021-02/ January 2021.

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

*Amendment*

(4) The behaviour of companies across all sectors of the economy is key to success in the Union’s sustainability objectives as ***many*** Union companies rely on global value chains. It is also in the interest of companies to protect human rights and the environment, ***and uphold good governance***, in particular given the rising concern of consumers and investors regarding these topics. Several initiatives fostering enterprises which support value-oriented transformation already exist on Union<sup>77</sup>, as well as national<sup>78</sup> level.

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<sup>77</sup> ‘Enterprise Models and the EU agenda’, CEPS Policy Insights, No PI2021-02/ January 2021.

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

Or. en

## **Amendment 2**

### **Proposal for a directive Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6 a) All companies have the responsibility to respect human rights, as enshrined in the international conventions listed in the Annex, Part I, Section 2, regardless of their size, sector, operational context, ownership and structure, and therefore under this Directive they should be required to conduct due diligence and should take appropriate measures to identify and address adverse human rights impacts along their value chain. The extent and nature of due diligence can vary***

*according to the size, sector, operating context, and risk profile of the company.*

Or. en

### Amendment 3

#### Proposal for a directive

#### Recital 13

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

(13) The European Parliament, in its resolution of 10 March 2021 calls upon the Commission to propose Union rules for *a* comprehensive corporate due diligence *obligation*<sup>100</sup>. The Council Conclusions on Human Rights and Decent Work in Global Supply Chains of 1 December 2020 called upon the Commission to table a proposal for a Union legal framework on sustainable corporate governance, including cross-sector corporate due diligence obligations along global supply chains.<sup>101</sup> The European Parliament also calls for clarifying directors` duties in its own initiative report adopted on 2 December 2020 on sustainable corporate governance. In their Joint Declaration on EU Legislative Priorities for 2022<sup>102</sup>, the European Parliament, the Council of the European Union and the Commission have committed, to deliver on an economy that works for people, and to improve the regulatory framework on sustainable corporate governance.

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<sup>100</sup> European Parliament resolution of 10 March 2021 with recommendations to the

##### *Amendment*

(13) The European Parliament, in its resolution of 10 March 2021 calls upon the Commission to propose Union rules for comprehensive corporate due diligence *obligations, applicable to all large companies and SMEs listed in stock exchanges or operating in high-risk sectors, with consequences up to and including civil liability for those companies that cause or contribute to harm by failing to carry out due diligence*<sup>100</sup>. The Council Conclusions on Human Rights and Decent Work in Global Supply Chains of 1 December 2020 called upon the Commission to table a proposal for a Union legal framework on sustainable corporate governance, including cross-sector corporate due diligence obligations along global supply chains<sup>101</sup>. The European Parliament also calls for clarifying directors` duties in its own initiative report adopted on 2 December 2020 on sustainable corporate governance. In their Joint Declaration on EU Legislative Priorities for 2022<sup>102</sup>, the European Parliament, the Council of the European Union and the Commission have committed, to deliver on an economy that works for people, and to improve the regulatory framework on sustainable corporate governance.

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<sup>100</sup> European Parliament resolution of 10 March 2021 with recommendations to the

Commission on corporate due diligence and corporate accountability (2020/2129(INL)), P9\_TA(2021)0073, available at [https://oeil.secure.europarl.europa.eu/oeil/opups/ficheprocedure.do?lang=en&reference=2020/2129\(INL\)](https://oeil.secure.europarl.europa.eu/oeil/opups/ficheprocedure.do?lang=en&reference=2020/2129(INL)).

<sup>101</sup> Council Conclusions on Human Rights and Decent Work in Global Supply Chains, 1 December 2020 (13512/20).

<sup>102</sup> Joint declaration of the European Parliament, the Council of the European Union and the European Commission on EU Legislative Priorities for 2022, available at [https://ec.europa.eu/info/sites/default/files/joint\\_declaration\\_2022.pdf](https://ec.europa.eu/info/sites/default/files/joint_declaration_2022.pdf).

Commission on corporate due diligence and corporate accountability (2020/2129(INL)), P9\_TA(2021)0073, available at [https://oeil.secure.europarl.europa.eu/oeil/opups/ficheprocedure.do?lang=en&reference=2020/2129\(INL\)](https://oeil.secure.europarl.europa.eu/oeil/opups/ficheprocedure.do?lang=en&reference=2020/2129(INL)).

<sup>101</sup> Council Conclusions on Human Rights and Decent Work in Global Supply Chains, 1 December 2020 (13512/20).

<sup>102</sup> Joint declaration of the European Parliament, the Council of the European Union and the European Commission on EU Legislative Priorities for 2022, available at [https://ec.europa.eu/info/sites/default/files/joint\\_declaration\\_2022.pdf](https://ec.europa.eu/info/sites/default/files/joint_declaration_2022.pdf).

Or. en

#### Amendment 4

##### Proposal for a directive Recital 14

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

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

###### *Amendment*

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

Or. en



## Amendment 5

### Proposal for a directive Recital 15

#### *Text proposed by the Commission*

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

#### *Amendment*

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

Or. en

## Amendment 6

### Proposal for a directive Recital 16

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## **Amendment 7**

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

*Text proposed by the Commission*

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

*Amendment*

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

chains.

Or. en

## Amendment 8

### Proposal for a directive Recital 18

#### *Text proposed by the Commission*

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

#### *Amendment*

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

Or. en

## Amendment 9

### Proposal for a directive Recital 19

*Text proposed by the Commission*

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

*Amendment*

(19) As regards regulated financial undertakings providing loan, credit, or other financial services, clients that are households and natural persons not acting in a professional or business capacity should not be considered to be part of the value chain.

Or. en

**Amendment 10**

**Proposal for a directive  
Recital 20**

*Text proposed by the Commission*

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

*Amendment*

***deleted***

***If the direct business relationship of a company is established, then all linked indirect business relationships should also be considered as established regarding that company.***

Or. en

## **Amendment 11**

### **Proposal for a directive**

#### **Recital 21**

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

(21) Under this Directive, EU companies with more than **500** employees on average and a worldwide net turnover exceeding EUR **150** million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil those criteria, but which had more than **250** employees on average and more than EUR **40** million worldwide net turnover in the financial year preceding the last financial year and which operate in one or more high-impact sectors, due diligence should apply 2 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. ***In order to ensure a proportionate burden, companies operating in such high-impact sectors should be required to comply with more targeted due diligence focusing on severe adverse impacts.***

Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive **2018/957/EU** of the European Parliament and of the Council<sup>103</sup>, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive **2018/957/EU**, should only be included in the calculation

##### *Amendment*

(21) Under this Directive, EU companies with more than **250** employees on average and a worldwide net turnover exceeding EUR **40** million in the financial year preceding the last financial year should be required to comply with due diligence. As regards companies which do not fulfil those criteria, but which had more than **50** employees on average and more than EUR **8** million worldwide net turnover in the financial year preceding the last financial year and which operate in one or more high-impact sectors ***or are publicly listed on the stock exchange***, due diligence should apply 2 years after the end of the transposition period of this directive, in order to provide for a longer adaptation period. Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive **(EU) 2018/957** of the European Parliament and of the Council<sup>103</sup>, ***and employees in third party undertakings with which the company has entered into a vertical agreement in return for the payment of royalties***, should be included in the calculation of the number of employees in the user company. Posted workers under Article 1(3), points (a) and (b), of Directive 96/71/EC, as amended by Directive **(EU) 2018/957**, should only be included in the calculation

of the number of employees of the sending company.

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<sup>103</sup> Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (OJ L 173, 9.7.2018, p. 16).

of the number of employees of the sending company.

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<sup>103</sup> Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (OJ L 173, 9.7.2018, p. 16).

Or. en

## Amendment 12

### Proposal for a directive

#### Recital 22

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

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

##### *Amendment*

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

and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). *As regards the financial sector, due to its specificities, in particular as regards the value chain and the services offered, even if it is covered by sector-specific OECD guidance, it should not form part of the high-impact sectors covered by this Directive. At the same time, in this sector, the broader coverage of actual and potential adverse impacts should be ensured by also including very large companies in the scope that are regulated financial undertakings, even if they do not have a legal form with limited liability.*

non-metallic mineral products and fabricated metal products (except machinery and equipment), the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products), *construction and related activities, the provision of financial services, such as loans, credits, financing, pensions, market funding, risk management, payment services, securitisation, insurance or reinsurance, investment services and activities and other financial services; and the production, provision and distribution of information and communication technologies or related services, including hardware, device or component manufacturers, software solutions, including artificial intelligence, surveillance, facial recognition, data storage or processing, telecommunication services, including internet service providers or exchange points, web-based and cloud-based services, including social media and networking, messaging, e-commerce, delivery, mobility, and other platform services.*

Or. en

## Amendment 13

### Proposal for a directive

#### Recital 23

*Text proposed by the Commission*

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

*Amendment*

(23) In order to achieve fully the objectives of this Directive addressing human rights, environmental *and good governance adverse* impacts with respect to companies' operations, *products and services, and those of its* subsidiaries and value chains, third-country companies with significant operations in the EU should



should apply to third-country companies which generated a net turnover of at least EUR **150** million in the Union in the financial year preceding the last financial year or a net turnover of more than EUR **40** million but less than EUR **150** million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 2 years after the end of the transposition period of this Directive.

also be covered. More specifically, the Directive should apply to third-country companies which generated a net turnover of at least EUR **40** million in the Union in the financial year preceding the last financial year or a net turnover of more than EUR **8** million but less than EUR **40** million in the financial year preceding the last financial year in one or more of the high-impact sectors, as of 2 years after the end of the transposition period of this Directive. ***The calculation of net turnover should include royalties received by themselves or their Union subsidiaries or Union branches through vertical agreements concluded in the Union.***

Or. en

## Amendment 14

### Proposal for a directive

#### Recital 25

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

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

##### *Amendment*

(25) In order to achieve a meaningful contribution to the sustainability transition, due diligence under this Directive should be carried out with respect to adverse human rights impact on protected persons resulting from ***any action which removes or reduces the ability of an individual or group to enjoy*** the rights ***or to be protected by the*** prohibitions enshrined in the international conventions ***and instruments*** listed in the Annex to this Directive, ***which include trade union, workers' and social rights***. In order to ensure a comprehensive coverage of human rights, a ***negative impact on the enjoyment of a*** right not specifically listed in that Annex which directly impairs a legal interest protected in those conventions ***and instruments*** should also form part of the adverse human rights impact covered by this Directive, provided that the company concerned could have



account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex to this Directive.

reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the due diligence obligations under this Directive, taking into account all relevant circumstances of their operations, such as the sector and operational context. Due diligence should further encompass adverse environmental impacts *on air, water, soil, biodiversity, animal welfare, climate mitigation and adaptation, the transition to a circular economy and impacts* resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex to this Directive. *Due diligence should also be carried out in relation to adverse good governance impacts, such as on the proper functioning of public administration and services, the rule of law, and democratic electoral systems, and impacts resulting from the violation of one of the prohibitions and obligations pursuant to the international good governance conventions listed in the Annex to this Directive*

Or. en

## Amendment 15

### Proposal for a directive Recital 27

#### *Text proposed by the Commission*

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

#### *Amendment*

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

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

environmental *and good governance* impacts, establish *or participate in* a complaints procedure, monitor *and verify* the effectiveness of the measures *taken* in accordance with the requirements that are set up in this Directive, communicate publicly on their due diligence *and consult with affected stakeholders throughout this entire process*. In order to ensure clarity for companies, in particular the steps of preventing and mitigating potential adverse impacts and of bringing to an end, or when this is not possible, minimising actual adverse impacts should be clearly distinguished in this Directive.

Or. en

## Amendment 16

### Proposal for a directive Recital 28

#### *Text proposed by the Commission*

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

#### *Amendment*

(28) In order to ensure that due diligence forms part of companies' corporate policies, and in line with the relevant international framework, companies should integrate due diligence into all their corporate policies and *levels of operation and have in place a due diligence policy, developed in consultation with stakeholders*. The due diligence policy should contain a description of the company's approach, including in the long term, to due diligence, a code of conduct describing the rules and principles to be followed by the company's employees and subsidiaries *across all corporate functions and operations*; a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to business relationships, *and adequate policies to avoid passing on the costs of the due*

diligence policy annually.

***diligence process to business partners in a weaker position.*** The code of conduct should apply in all relevant corporate functions and operations, including procurement and purchasing decisions. Companies should also update their due diligence policy annually.

Or. en

## Amendment 17

### Proposal for a directive Recital 29

#### *Text proposed by the Commission*

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

#### *Amendment*

(29) To comply with due diligence obligations, companies need to take appropriate measures with respect to identification, prevention and bringing to an end adverse impacts. An ‘appropriate measure’ should mean a measure that is capable of achieving the objectives of due diligence ***proportionate to*** the degree of severity and the likelihood of the adverse impact, taking into account the circumstances of the specific case, including ***the nature of the adverse impact***, characteristics of the economic sector, ***the nature of the company’s specific activities, products, services and specific business relationship. For the purposes of Articles 7 and 8, in cases where a company has caused or may have caused an impact, appropriate measures should be understood as measures which aim to prevent or mitigate an impact, and remediate any damage caused by an impact. For the purposes of Articles 7 and 8, in cases where a company has contributed to or may have contributed to an impact, appropriate measures should be understood as measures which aim to prevent or mitigate the contribution to the impact, using or increasing the company’s leverage with other responsible parties to***

*for example through cooperation with the business partner in question or engagement with another company which is the direct business partner of the business relationship associated with adverse impact.*

*prevent or mitigate the impact, and contributing to remediating any damage caused by an impact, to the extent of the contribution. For the purposes of Articles 7 and 8, in cases where a company's operations, products or services are or may be directly linked to an impact through its relationships with other entities, appropriate measures should be understood as measures which aim at using or increasing the company's leverage with responsible parties to seek to prevent or mitigate the impact, and considering using its leverage with responsible parties to enable the remediation of any damage caused by an impact.*

Or. en

## Amendment 18

### Proposal for a directive Recital 30

#### *Text proposed by the Commission*

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

#### *Amendment*

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

every 12 months, throughout the life of an activity or relationship. ***Regulated financial undertakings providing loan, credit, or other financial services should identify the adverse impacts only at the inception of the contract.*** When identifying adverse impacts, companies should also identify and assess the impact of a business relationship's business model and strategies, including trading, procurement and pricing practices. Where the company cannot prevent, bring to an end or ***minimize*** all its adverse impacts at the same time, it should be able to prioritize its action, provided it takes the measures reasonably available to the company, taking into account the specific circumstances.

changes in the operation; in response to or anticipation of changes in the operating environment; and periodically, at least every 12 months, throughout the life of an activity or relationship. When identifying adverse impacts, companies should also identify and assess the impact of a business relationship's business model and strategies, including trading, procurement and pricing practices. Where the company cannot prevent, bring to an end or ***mitigate*** all its adverse impacts at the same time, it should be able to prioritize its action, provided it takes the measures reasonably available to the company, taking into account the specific circumstances.

Or. en

## **Amendment 19**

### **Proposal for a directive Recital 31**

*Text proposed by the Commission*

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

*Amendment*

***deleted***

Or. en

## **Amendment 20**

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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## **Amendment 21**

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

*Text proposed by the Commission*

(34) So as to comply with the prevention and mitigation obligation under this Directive, companies should be required to take the following actions, where relevant. Where necessary due to the complexity of prevention measures, companies should develop and implement a prevention action plan. Companies should ***seek to obtain contractual assurances from a direct partner with whom they have an established*** business relationship that it

*Amendment*

(34) So as to comply with the prevention and mitigation obligation under this Directive, companies should be required to take the following actions ***and appropriate measures, where relevant to the circumstances.*** Where necessary due to the complexity of prevention measures, companies should develop and implement a prevention action plan. Companies should ***establish through contractual provisions agreed with a*** partner with



will *ensure compliance with the* code of conduct *or the* prevention action plan, *including by seeking* corresponding contractual *assurances* from its partners to the extent that their activities are part of the companies' value chain. *The contractual assurances should be accompanied by appropriate measures to verify compliance. To ensure comprehensive prevention of actual and potential adverse impacts, companies should also make investments which aim to prevent adverse impacts, provide targeted and proportionate support for an SME with which they have an established business relationship such as financing, for example, through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing, to help implement the code of conduct or prevention action plan, or technical guidance such as in the form of training, management systems upgrading, and collaborate with other companies.*

whom they have *a* business relationship that it will *participate in carrying out due diligence as outlined in this Directive, including by ensuring it respects the company's* code of conduct *and, as necessary, a* prevention action plan. *Partners with whom the company has a business relationship should be asked to seek* corresponding contractual *provisions* from its partners to the extent that their activities are part of the companies' value chain.

Or. en

#### *Justification*

*Second half of recital 34 moved to new recital 34a*

## **Amendment 22**

### **Proposal for a directive Recital 34 a (new)**

*Text proposed by the Commission*

*Amendment*

*(34a) The simple inclusion of certain contractual provisions in company contracts should not be considered sufficient to satisfy that company's legal obligations to carry out due diligence under this Directive. Moreover, contractual provisions should be fair and reasonable under the circumstances, and should reflect the joint responsibility of*

*parties to conduct due diligence in ongoing cooperation. Often contractual terms are unilaterally imposed on a supplier by a buyer, and any breach thereof is likely to result in unilateral action by the buyer, such as termination or disengagement. Such unilateral action is not appropriate in the context of due diligence and would probably itself result in adverse impacts. To ensure comprehensive prevention of actual and potential adverse impacts, companies should also make investments which aim to prevent adverse impacts, provide targeted and proportionate support for an SME with which they have a business relationship such as financing, for example, through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing, to help implement the code of conduct or prevention action plan, or technical guidance such as in the form of training, management systems upgrading, and collaborate with other companies.*

Or. en

## Amendment 23

### Proposal for a directive Recital 35

*Text proposed by the Commission*

*Amendment*

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

*deleted*



## Amendment 24

### Proposal for a directive Recital 36

#### *Text proposed by the Commission*

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

#### *Amendment*

(36) In order to ensure that prevention and mitigation of potential adverse impacts is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at preventing and mitigating adverse potential impacts without success. However, the Directive should also, for cases where potential adverse impacts could not be addressed by the described prevention or mitigation measures, **and there is no realistic prospect of change**, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing prevention and **mitigation** efforts; or to terminate the business relationship with respect to the activities concerned **on account of the severity of** the potential adverse impact. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate **or suspend** the business relationship in contracts governed by their laws. **In deciding to terminate or suspend a business relationship, the company should assess the adverse impacts of that decision, in line with the due diligence obligations provided for in this Directive.**

contractual relationship with the supplier. In some instances, such collaboration could be the only realistic way of preventing adverse impacts, in particular, where the indirect business relationship is not ready to enter into a contract with the company. In these instances, the company should collaborate with the entity which can most effectively prevent or mitigate adverse impacts at the level of the indirect business relationship while respecting competition law.

It is possible that prevention of adverse impacts at the level of indirect business relationships requires collaboration with another company, for example a company which has a direct contractual relationship with the supplier. In some instances, such collaboration could be the only realistic way of preventing adverse impacts, in particular, where the indirect business relationship is not ready to enter into a contract with the company. In these instances, the company should collaborate with the entity which can most effectively prevent or mitigate adverse impacts at the level of the indirect business relationship while respecting competition law.

Or. en

## Amendment 25

### Proposal for a directive

#### Recital 37

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

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

##### *Amendment*

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

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

schemes or initiatives and their outcomes. The Commission, in collaboration with Member States, may issue guidance for assessing the *scope, alignment and credibility* of industry schemes and multi-stakeholder initiatives. ***The scope, alignment and credibility of an industry scheme or multi-stakeholder initiative should be assessed by taking into account, in particular, the inclusion of the perspectives of civil society in the process. The use of relevant and credible industry schemes and multi-stakeholder initiatives to support companies' due diligence should not absolve such companies of their individual responsibility to perform due diligence, and should not prevent them from being held liable.***

Or. en

## Amendment 26

### Proposal for a directive Recital 38

#### *Text proposed by the Commission*

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

#### *Amendment*

(38) Under the due diligence obligations set out by this Directive, if a company identifies actual human rights, environmental ***or good governance*** adverse impacts, it should take appropriate measures to bring those to an end. It can be expected that a company is able to bring to an end actual adverse impacts in their own operations and in subsidiaries. However, it should be clarified that where adverse impacts cannot be brought to an end, companies should *mitigate* the extent of such impacts, ***whilst pursuing efforts to bring the adverse impact to an end, and implementing a corrective action plan, developed in consultation with affected stakeholders***. Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the

companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where relevant depending on the circumstances.

adverse impact to an end. To provide companies with legal clarity and certainty, this Directive should define which actions companies should be required to take for bringing actual human rights and environmental adverse impacts to an end and minimisation of their extent, where relevant depending on the circumstances.

Or. en

## Amendment 27

### Proposal for a directive

#### Recital 39

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

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

##### *Amendment*

(39) So as to comply with the obligation of bringing to an end and **mitigating** the extent of actual adverse impacts under this Directive, companies should be required to take the following actions, where relevant **to the circumstances**. They should neutralise the adverse impact or **adequately mitigate** its extent **by restoring affected stakeholders and/or the environment back to the same position as before the adverse impact had occurred, or as close as is possible in the circumstances**. Where necessary due to the fact that the adverse impact cannot be immediately brought to an end, companies should develop and implement a corrective action plan with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. Companies should also **establish through** contractual **provisions with a** business partner with whom they have **a** business relationship that they will **participate in carrying out due diligence, and** ensure **they respect** the company's code of conduct and, as necessary, a prevention action plan. **Business partners should be encouraged to seek** corresponding contractual **provisions from their** partners,

be accompanied by the appropriate measures to **verify compliance**. Finally, companies should also make investments aiming at ceasing or **minimising** the extent of adverse impact, provide targeted and proportionate support for an SMEs with which they have **an established** business relationship and collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end.

to the extent that their activities are part of the company's value chain. The contractual **provisions** should be accompanied by the appropriate measures to **support due diligence as outlined in this Directive**. **The simple inclusion of certain contractual provisions in company contracts should not be considered sufficient to satisfy that company's legal obligations to carry out due diligence under this Directive, nor should contractual provisions transfer responsibility to any party for carrying out due diligence. Moreover, contractual provisions should be fair and reasonable under the circumstances, and reflect the joint responsibility of parties to conduct due diligence in ongoing cooperation, with an emphasis on taking appropriate measures to bring adverse impacts to an end, rather than termination or suspension in the case of infringements or breaches which may have given rise to actual adverse impacts. Companies should also assess whether the business partner can reasonably be expected to carry out due diligence as provided for in this Directive, taking account of, amongst other factors, the sector, context and level of risk of the business relationship and the business partner; the resources, experience, history and credentials of each business partner; and any support given by the company to its business partner. Often contractual terms are unilaterally imposed on a supplier by a buyer, and any breach thereof is likely to result in unilateral action by the buyer such as termination or disengagement. Such unilateral action is not appropriate in the context of due diligence and would probably itself result in adverse impacts.** Finally, companies should also make investments aiming at ceasing or **mitigating** the extent of **an** adverse impact, provide targeted and proportionate support for an SMEs with which they have **a** business relationship and collaborate with other entities, including, where relevant, to increase the company's ability to bring the

adverse impact to an end.

Or. en

## **Amendment 28**

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

*Text proposed by the Commission*

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

*Amendment*

**deleted**

Or. en

## **Amendment 29**

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

*Text proposed by the Commission*

**(41) In order to ensure that bringing actual adverse impacts to an end or minimising them is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at bringing actual adverse impacts to an end or minimising them without success. However, this Directive should also, for cases where actual adverse impacts could**

*Amendment*

**(41) In order to ensure that bringing actual adverse impacts to an end or minimising them is effective, companies should prioritize engagement with business relationships in the value chain, instead of terminating the business relationship, as a last resort action after attempting at bringing actual adverse impacts to an end or minimising them without success. However, this Directive should also, for cases where actual adverse impacts could**



not be brought to an end or adequately mitigated by the described *measures*, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or *minimise* the extent of the adverse impact, or terminate the business relationship with respect to the activities concerned, *if* the adverse impact *is considered severe*. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws.

not be brought to an end or adequately mitigated by the described *measure, and there is no realistic prospect of change*, refer to the obligation for companies to refrain from entering into new or extending existing relations with the partner in question and, where the law governing their relations so entitles them to, to either temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or *mitigate* the extent of the adverse impact, or terminate the business relationship with respect to the activities concerned, *on account of the severity of* the adverse impact . In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate *or suspend* the business relationship in contracts governed by their laws. *In deciding to terminate or suspend a business relationship, the company should assess the adverse impacts of that decision, in line with the due diligence obligations outlined in this Directive.*

Or. en

## Amendment 30

### Proposal for a directive Recital 41 a (new)

*Text proposed by the Commission*

*Amendment*

*(41 a) Where a company has caused or contributed to an actual adverse impact, the company should take appropriate measures to remedy that impact. The type and form of remedial actions should be sufficient to appropriately remedy the impact, and could for instance take the form of financial compensation, or non-financial forms of remedy such as restitution, rehabilitation, public apologies, reinstatement and contribution to investigations, including an appropriate*

*combination of those measures and other measures. Whilst companies should be obliged to take remedial actions, the fact of having done so should not preclude affected stakeholders from pursuing further action including through complaints and civil procedures, and there should not be any requirement for affected stakeholders to seek remediation prior to making complaints or filing claims in court. Where a company is directly linked to an adverse impact, it should be allowed to voluntarily participate in any remedial measures, where appropriate, and consider using its leverage with responsible parties to enable the remediation of any damage caused by an impact.*

Or. en

## Amendment 31

### Proposal for a directive

#### Recital 42

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

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

##### *Amendment*

(42) Companies should **establish or participate in effective mechanisms that can be used by** persons and organisations to **easily** submit complaints directly to them in case of legitimate concerns regarding actual or potential human rights, environmental **and good governance** adverse impacts. Organisations who could submit such complaints should include trade unions and other workers' representatives representing individuals working in the value chain concerned and civil society organisations active in the areas related to the value chain concerned where they have knowledge about a potential or actual adverse impact, **and legal and natural persons defending human rights and the environment.** Companies should establish a procedure



complaints and remediation mechanism should not prevent the complainant from having recourse to judicial remedies. In accordance with international standards, **complaints** should be entitled to **request** from the company appropriate follow-up on the complaint and to meet with the company's representatives at an appropriate level to discuss potential or actual **severe** adverse impacts that are the subject matter of the complaint. This access should not lead to unreasonable solicitations of companies.

for dealing with those complaints and inform workers, trade unions and other workers' representatives, where relevant, about such processes. **Companies should provide the possibility of submitting complaints through collaborative agreements with other companies or organisations, by participating in multi-stakeholder grievance mechanisms or joining a global framework agreement.** Recourse to the complaints and remediation mechanism should not prevent the complainant from having recourse to judicial remedies, **nor should the former be a prerequisite before seeking judicial remedies.** In accordance with international standards, **complainants** should be entitled to **receive** from the company appropriate follow-up on the complaint and to meet with the company's representatives at an appropriate level to discuss potential or actual adverse impacts that are the subject matter of the complaint. This access should not lead to unreasonable solicitations of companies. **Companies should also be responsible for ensuring that any complainants are protected from potential retaliation and retribution, for instance by ensuring anonymity or confidentiality in the complaints process. The complaints procedure should be legitimate, accessible, predictable, safe, equitable, transparent, rights-compatible and adaptable as set out in the effectiveness criteria for non-judicial grievance mechanisms in Principle 31 of the United Nations Guiding Principles on Business and Human Rights and the United Nations Committee on the Rights of the Child General Comment No 16.**

Or. en

## Amendment 32

### Proposal for a directive Recital 43

*Text proposed by the Commission*

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

*Amendment*

(43) Companies should monitor ***and verify*** the implementation and ***the*** effectiveness of their due diligence measures, ***in consultation with affected stakeholders***. They should carry out periodic assessments of their own operations, ***products and services***, those of their subsidiaries and those of their business relationships, to monitor the effectiveness of the identification, prevention, minimisation, bringing to an end, mitigation ***and remediation*** of human rights, environmental ***and good governance*** adverse impacts. Such assessments should verify that adverse impacts are properly identified, due diligence measures are implemented and adverse impacts have actually been prevented or brought to an end. In order to ensure that such assessments are up-to-date, they should be carried out at least every 12 months and be revised in-between if there are reasonable grounds to believe that significant new risks of adverse impact could have arisen. ***Companies should retain documentation demonstrating their compliance with this requirement for 5 years.***

Or. en

**Amendment 33**

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

*Text proposed by the Commission*

(44) Like in the existing international standards set by the United Nations Guiding Principles on Business and Human Rights and the OECD framework, it forms part of the due diligence requirement to communicate externally relevant

*Amendment*

(44) Like in the existing international standards set by the United Nations Guiding Principles on Business and Human Rights and the OECD framework, it forms part of the due diligence requirement to communicate externally relevant

information on due diligence policies, processes and activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities. ***The proposal to amend*** Directive 2013/34/EU as regards corporate sustainability reporting sets out relevant reporting obligations for the companies covered by this directive. In order to avoid duplicating reporting obligations, this Directive should therefore not introduce any new reporting obligations in addition to those under Directive 2013/34/EU for the companies covered by that Directive as well as the reporting standards that should be developed under it. As regards companies that are within the scope of this Directive, but do not fall under Directive 2013/34/EU, in order to comply with their obligation of communicating as part of the due diligence under this Directive, they should publish on their website an annual statement in a language customary in the sphere of international business.

information on due diligence policies, processes and activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities. Directive 2013/34/EU as regards corporate sustainability reporting sets out relevant reporting obligations for the companies covered by this directive. In order to avoid duplicating reporting obligations, this Directive should therefore not introduce any new reporting obligations in addition to those under Directive 2013/34/EU for the companies covered by that Directive as well as the reporting standards that should be developed under it. As regards companies that are within the scope of this Directive, but do not fall under Directive 2013/34/EU, in order to comply with their obligation of communicating as part of the due diligence under this Directive, they should publish on their website an annual statement ***that meets those requirements*** in a language customary in the sphere of international business, ***and audited in line with the requirements outlined in Directive 2006/43/EC.***

Or. en

## **Amendment 34**

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

*Text proposed by the Commission*

*Amendment*

***(44a) Companies should consult affected stakeholders by carrying out good faith, effective, meaningful and informed engagement with them throughout the due diligence process. Consultation should be ongoing and proactive, providing timely and culturally sensitive information to affected stakeholders. Affected stakeholders should have the right to request additional written***

*information, and, where such a request is refused, companies should issue a written justification for such refusal. The consultation of affected stakeholders should take due account of barriers to participation and specific needs of vulnerable stakeholders, and ensure that stakeholders are free from retaliation and retribution, including by maintaining confidentiality and anonymity. Workers representatives should be informed by their company about its due diligence strategy and its implementation, in accordance with existing EU law.*

Or. en

## Amendment 35

### Proposal for a directive Recital 45

*Text proposed by the Commission*

(45) In order to *facilitate* companies' *compliance* with their due diligence requirements through their value chain *and limiting shifting compliance burden on SME business partners*, the Commission should provide guidance on model contractual clauses.

*Amendment*

(45) In order to *give* companies *tools to help them comply* with their due diligence requirements through their value chain, the Commission should provide guidance on model contractual clauses. *Such guidance should emphasise the shared-responsibility dimensions of due diligence and clarify that, for due diligence to be effective in identifying, preventing, mitigating, accounting for, and, if needed, remedying adverse impacts, each party is required to, in ongoing cooperation with its counterpart, avoid causing, contributing, or being directly linked to potential and actual adverse impacts. The guidance should clarify that contracts should not be used to transfer responsibility for carrying out due diligence to others, unless such a transfer itself satisfies the due diligence standards of this Directive. The guidance should further clarify that the simple inclusion of contractual assurances cannot, on its*

*own, satisfy the due diligence standards of this Directive. Such standards should only be satisfied if due diligence obligations are assigned to others in a diligent manner that ensures the effective performance of those obligations and includes measures appropriate to the circumstances, such as monitoring, financial and non-financial assistance, and responsible purchasing practices.*

Or. en

### Amendment 36

#### Proposal for a directive

#### Recital 46

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

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

##### *Amendment*

(46) In order to provide support and practical tools to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, using relevant international guidelines and standards as a reference, and in consultation with Member States, ***representative SME organisations, business organisations*** and stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, ***the European Labour Authority***, and where appropriate with international bodies having expertise in due diligence, should have the possibility to issue guidelines, including for specific sectors or specific adverse impacts, ***such as situations of conflict or occupation. The Commission should, moreover, support safe participatory collection of independent data on human rights violations and environmental damage.***

Or. en

## Amendment 37

### Proposal for a directive Recital 47

*Text proposed by the Commission*

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

*Amendment*

(47) ***In order*** to mitigate financial or administrative burden on SMEs, many of which are already struggling in the context of the global economic and sanitary crisis, Member States should set up and operate, either individually or jointly, dedicated ***user-friendly*** websites, portals or platforms, and Member States could also financially support SMEs and help them build capacity. ***Member States should also ensure that training on how to perform due diligence is made available for companies, especially SMEs.*** Such support should also be made accessible, and where necessary adapted and extended to upstream economic operators in third countries. Companies whose business partner is an SME, are also encouraged to support them to comply with due diligence measures, in case such requirements would jeopardize the viability of the SME and use fair, reasonable, non-discriminatory and proportionate requirements vis-a-vis the SMEs.

Or. en

## Amendment 38

### Proposal for a directive Recital 50

*Text proposed by the Commission*

(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should adopt a plan to ensure that the

*Amendment*

(50) In order to ensure that this Directive effectively contributes to combating climate change, companies should adopt ***and effectively implement a***

business model and strategy of the company are **compatible** with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. ***In case climate is or should have been identified as a principal risk for or a principal impact of the company's operations, the company should include emissions reduction objectives in its plan.***

plan, ***in consultation with stakeholders***, to ensure that the business model and strategy of the company are **aligned** with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement, ***the objective of achieving climate neutrality by 2050 and the 2030 climate target established in Regulation (EU) 2021/1119, and pursuant to the latest recommendations of the Intergovernmental Panel on Climate Change (IPCC) and the European Scientific Advisory Board on Climate Change established by that Regulation, taking into account their entire value chain.***

Or. en

#### Amendment 39

##### Proposal for a directive Recital 51

*Text proposed by the Commission*

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

*Amendment*

(51) With a view to ***increasing*** the financial incentives of directors, ***a significant portion of*** directors' variable remuneration ***should be*** linked to the ***achievement of sustainability and in particular greenhouse gas emission reduction targets.***

Or. en

#### Amendment 40

##### Proposal for a directive Recital 53



*Text proposed by the Commission*

(53) In order to ensure the monitoring of the correct implementation of companies' due diligence obligations and ensure the proper enforcement of this Directive, Member States should designate one or more national supervisory authorities. These supervisory authorities should be of a public nature, independent from the companies falling within the scope of this Directive or other market interests, and free of conflicts of interest. In accordance with national law, Member States should ensure appropriate financing of the competent authority. They should be entitled to carry out investigations, on their own initiative or based on complaints or substantiated concerns raised under this Directive. Where competent authorities under sectoral legislation exist, Member States could identify those as responsible for the application of this Directive in their areas of competence. They could designate authorities for the supervision of regulated financial undertaking also as supervisory authorities for the purposes of this Directive.

*Amendment*

(53) In order to ensure the monitoring of the correct implementation of companies' due diligence obligations and ensure the proper enforcement of this Directive, Member States should designate one or more national supervisory authorities. These supervisory authorities should be of a public nature, independent from the companies falling within the scope of this Directive or other market interests, and free of conflicts of interest. In accordance with national law, Member States should ensure appropriate financing of the competent authority. They should be entitled to carry out investigations, ***including on-the-spot checks and interviews of relevant stakeholders, in particular trade unions and workers' representatives***, on their own initiative or based on complaints or substantiated concerns raised under this Directive. Where competent authorities under sectoral legislation exist, Member States could identify those as responsible for the application of this Directive in their areas of competence. They could designate authorities for the supervision of regulated financial undertaking also as supervisory authorities for the purposes of this Directive.

Or. en

**Amendment 41**

**Proposal for a directive**

**Recital 56**

*Text proposed by the Commission*

(56) In order to ensure effective compensation of victims of adverse impacts, Member States should be required to lay down rules governing the civil liability of companies for damages arising

*Amendment*

(56) In order to ensure effective compensation of victims of adverse impacts, Member States should be required to lay down rules governing the civil liability of companies for damages arising



due to its failure to comply with the due diligence process. The company should be liable for damages if they failed to comply with the obligations to prevent and mitigate potential adverse impacts or to bring actual impacts to an end and *minimise* their extent, and as a result of this failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures *occurred* and led to damage.

due to its failure to comply with the due diligence process. The company should be liable for damages if they failed to comply with the obligations to prevent and mitigate potential adverse impacts or to bring actual impacts to an end and *mitigate* their extent, *or provide remediation*, and as a result of this failure *the company caused or contributed to* an adverse impact that should have been identified, prevented, mitigated, *remediated*, brought to an end or its extent minimised through the appropriate measures, and led to damage.

Or. en

## Amendment 42

### Proposal for a directive Recital 57

*Text proposed by the Commission*

(57) *As regards damages occurring at the level of established indirect business relationships, the liability of the company should be subject to specific conditions. The company should not be liable if it carried out specific due diligence measures. However, it should not be exonerated from liability through implementing such measures in case it was unreasonable to expect that the action actually taken, including as regards verifying compliance, would be adequate to prevent, mitigate, bring to an end or minimise the adverse impact. In addition, in the assessment of the existence and extent of liability, due account is to be taken of the company's efforts, insofar as they relate directly to the damage in question, to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided as well as any collaboration with other entities to address*

*Amendment*

(57) *Where a company can demonstrate that it complied with its obligations under this Directive, it should not be liable for damage resulting from the impact, unless it was unreasonable, in the circumstances of the case, to expect that the action actually taken, including as regards verifying compliance, would be an appropriate measure to prevent, mitigate, bring to an end or mitigate the extent of the adverse impact. In the assessment of the existence and extent of liability, due account should be taken of the company's efforts, insofar as they relate directly to the damage in question, to take remedial action, including that required of them by a supervisory authority, any investments made and any targeted support provided as well as any collaboration with affected stakeholders and other entities to address adverse impacts in its value chains.*

adverse impacts in its value chains.

Or. en

#### Amendment 43

##### Proposal for a directive Recital 58

*Text proposed by the Commission*

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

*Amendment*

(58) *Considering that victims and claimants will often lack the necessary access to evidence, where a claim is brought against a company and a claimant provides elements substantiating the likelihood of a company's liability under this Directive, the company will be responsible for producing evidence to prove it complied with the Directive.*

Or. en

#### Amendment 44

##### Proposal for a directive Recital 59

*Text proposed by the Commission*

(59) As regards civil liability rules, the civil liability of a company for damages arising due to its failure to carry out adequate due diligence should be without prejudice to civil liability of its subsidiaries or the respective civil liability of direct and indirect business partners in the value chain. Also, the civil liability rules under this Directive should be without prejudice to Union or national rules on civil liability related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.

*Amendment*

(59) As regards civil liability rules, the civil liability of a company for damages arising due to its failure to carry out adequate due diligence should be without prejudice to civil liability of its subsidiaries or the respective civil liability of direct and indirect business partners in the value chain. Also, the civil liability rules under this Directive should be without prejudice to Union or national rules on civil liability, ***including rules on joint and several liability***, related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for

stricter liability than this Directive.

Or. en

## Amendment 45

### Proposal for a directive Recital 63

#### *Text proposed by the Commission*

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

#### *Amendment*

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

Or. en

## Amendment 46

### Proposal for a directive Recital 64

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

**Amendment 47**

**Proposal for a directive**  
**Article 1 – title**

*Text proposed by the Commission*

Subject matter

*Amendment*

Subject matter **and aim**

Or. en

**Amendment 48**

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

*Text proposed by the Commission*

(a) on obligations for companies regarding actual and potential **human rights** adverse impacts **and environmental**

*Amendment*

(a) on obligations for companies regarding actual and potential adverse impacts **on human rights, the**

*adverse impacts*, with respect to their own operations, *the operations* of their subsidiaries, and the value chain operations carried out by entities with whom the company has *an established* business relationship and

*environment and good governance*, with respect to their own operations, *products and services and those* of their subsidiaries, and the value chain operations carried out by entities with whom the company has *a* business relationship and

Or. en

## **Amendment 49**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*The rules provided for under this Directive are aimed at ensuring that companies fulfil their duty to respect human rights, the environment and good governance and that those affected by a failure to respect this duty have access to justice.*

Or. en

## **Amendment 50**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

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

*deleted*

Or. en

## **Amendment 51**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point a**

*Text proposed by the Commission*

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

*Amendment*

(a) the company had more than **250** employees on average and had a net worldwide turnover of more than EUR **40** million in the last financial year for which annual financial statements have been prepared;

Or. en

## **Amendment 52**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point b – introductory part**

*Text proposed by the Commission*

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

*Amendment*

(b) the company did not reach the thresholds under point (a), but had more than **50** employees on average and had a net worldwide turnover of more than EUR **8** million in the last financial year for which annual financial statements have been prepared, provided that at least **30%** of this net turnover was generated in one or more of the following sectors:

Or. en

## **Amendment 53**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point b – point i**

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 54

### Proposal for a directive

#### Article 2 – paragraph 1 – point b – point ii

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 55

### Proposal for a directive

#### Article 2 – paragraph 1 – point b – point iii

*Text proposed by the Commission*

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

*Amendment*

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

Or. en



## **Amendment 56**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point b – point iii a (new)**

*Text proposed by the Commission*

*Amendment*

**(iiia) construction and related activities;**

Or. en

## **Amendment 57**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point b – point iii b (new)**

*Text proposed by the Commission*

*Amendment*

**(iiib) the provision of financial services, such as loans, credits, financing, pensions, market funding, risk management, payment services, securitisation, insurance or reinsurance, investment services and activities and other financial services;**

Or. en

## **Amendment 58**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point b – point iii c (new)**

*Text proposed by the Commission*

*Amendment*

**(iiic) the production, provision and distribution of information and communication technologies or related services, including hardware, device or component manufacturers, software solutions, including artificial intelligence, surveillance, facial recognition, data storage or processing, telecommunication services, including internet service providers or exchange points, web-based**

*and cloud-based services, including social media and networking, messaging, e-commerce, delivery, mobility, and other platform services.*

Or. en

## **Amendment 59**

### **Proposal for a directive**

#### **Article 2 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

*(ba) the company did not reach the thresholds under point (a), but is publicly listed on the stock exchange, and had more than 50 employees on average and a net worldwide turnover of more than EUR 8 million in the last financial year for which annual financial statements have been prepared.*

Or. en

## **Amendment 60**

### **Proposal for a directive**

#### **Article 2 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

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

(a) generated a net turnover of more than EUR **40** million in the Union in the financial year preceding the last financial year, *including royalties received by themselves or their Union subsidiaries or Union branches through vertical agreements concluded in the Union;*

Or. en

## Amendment 61

### Proposal for a directive

#### Article 2 – paragraph 2 – point b

*Text proposed by the Commission*

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

*Amendment*

(b) generated a net turnover of more than EUR **8** million but not more than EUR **40** million in the Union in the financial year preceding the last financial year, ***including royalties perceived by themselves or their Union subsidiaries or Union branches through vertical agreements concluded in the Union,*** provided that at least **30 %** of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).

Or. en

## Amendment 62

### Proposal for a directive

#### Article 2 – paragraph 3

*Text proposed by the Commission*

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

*Amendment*

3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company. ***Employees in third party undertakings with whom the company has entered into a vertical agreement in return for payment of royalties shall also be included in the calculation of the number of employees.***

Or. en

## Amendment 63

### Proposal for a directive

#### Article 3 – paragraph 1 – point a – point i

*Text proposed by the Commission*

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

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<sup>110</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29.6.2013, p. 19).

*Amendment*

(i) a legal person constituted as one of the legal forms listed in Annex I **and Annex II** to Directive 2013/34/EU of the European Parliament and of the Council<sup>110</sup> ;

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<sup>110</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29.6.2013, p. 19).

Or. en

## Amendment 64

### Proposal for a directive

#### Article 3 – paragraph 1 – point a – point iii

*Text proposed by the Commission*

***(iii) a legal person constituted as one of the legal forms listed in Annex II to Directive 2013/34/EU composed entirely of undertakings organised in one of the legal forms falling within points (i) and (ii);***

*Amendment*

***deleted***

Or. en

*Justification*

*incorporated into point (i)*

## Amendment 65

### Proposal for a directive

#### Article 3 – paragraph 1 – point a – point iv – indent 19 a (new)

*Text proposed by the Commission*

*Amendment*

- *a market operator as defined in Article 4(1) (18) of Directive 2014/65/EU of the European Parliament and of the Council;*

Or. en

## Amendment 66

### Proposal for a directive

#### Article 3 – paragraph 1 – point a – point iv – indent 19 b (new)

*Text proposed by the Commission*

*Amendment*

- *a credit rating agency as defined in point (b) of Article 3 of Regulation (EC) 1060/2009 of the European Parliament and of the Council on credit rating agencies<sup>127a</sup>;*

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<sup>127a</sup> OJ L 302, 17.11.2009, p. 1.

Or. en

## Amendment 67

### Proposal for a directive

#### Article 3 – paragraph 1 – point a – point iv – indent 19 c (new)

*Text proposed by the Commission*

*Amendment*

- *an administrator as defined in point 6 of Article 3 (1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council<sup>127b</sup>;*

*<sup>127b</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).*

Or. en

## Amendment 68

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

*Text proposed by the Commission*

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

*Amendment*

(b) ‘adverse environmental impact’ means an adverse impact resulting from the violation of one of the prohibitions pursuant to the international environmental conventions listed in the Annex, Part II ***or from the failure to comply with obligations under those conventions, or a violation of the obligations set out in Directive 2008/99/EC of the European Parliament and of the Council<sup>127c</sup>, or any adverse impact on one of the following environmental categories:***

***- air and atmosphere, including through air pollution;***

***- water and access to water, including water pollution, water contamination and depletion of freshwater;***

***- soil, including soil pollution, soil contamination including from waste disposal and treatment, soil erosion, land use and land degradation***

***- biodiversity and animal welfare, including damage to wildlife, seabed and marine environment, flora, natural habitats and ecosystems;***

*- climate and climate change mitigation and adaptation, including greenhouse gas emissions;*

*- the transition to a circular economy, including impairment of reusability and recyclability;*

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*<sup>127c</sup> Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law (OJ L 328, 6.12.2008, p. 28).*

Or. en

## **Amendment 69**

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

*Text proposed by the Commission*

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

*Amendment*

(c) ‘adverse human rights impact’ means ***any*** adverse impact on persons resulting from ***any action or omission which removes or reduces the ability of an individual or group to enjoy the rights or to be protected by prohibitions enshrined in international conventions and instruments*** listed in the Annex, Part I, Section 1 ***and*** Annex, Part I, Section 2, ***including the subsequent case law;***

Or. en

## **Amendment 70**

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

*Text proposed by the Commission*

*Amendment*

(ca) ‘***adverse good governance impact***’ means ***any adverse impact on good***



*governance resulting from the violation of one of the prohibitions enshrined in the international conventions listed in the Annex, Part IIa or failure to comply with obligations under those conventions, or any adverse impact on the proper functioning of public administration and services, the rule of law, democratic electoral systems, and freedom of expression; such activities could include bribery, corruption, blackmail, tax evasion and avoidance, illegal political funding or exercise of influence, and other business practices detrimental to good governance;*

Or. en

## **Amendment 71**

### **Proposal for a directive**

#### **Article 3 – paragraph 1 – point e – introductory part**

*Text proposed by the Commission*

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

*Amendment*

‘business relationship’ means a relationship *between on the one hand a company or its subsidiaries, and on the other hand* a contractor, subcontractor, *franchisee* or any other legal entities (‘partner’) *in its value chain*

Or. en

## **Amendment 72**

### **Proposal for a directive**

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

*Text proposed by the Commission*

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

*Amendment*

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

**Amendment 73****Proposal for a directive****Article 3 – paragraph 1 – point f***Text proposed by the Commission**Amendment*

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

Or. en

**Amendment 74****Proposal for a directive****Article 3 – paragraph 1 – point g***Text proposed by the Commission**Amendment*

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

*financing, insurance or reinsurance of such entities;*

Or. en

## **Amendment 75**

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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## **Amendment 76**

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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 77

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

*Text proposed by the Commission*

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

*Amendment*

*deleted*

Or. en

## Amendment 78

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

*Text proposed by the Commission*

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

*Amendment*

(n) *‘affected stakeholders’ means those individuals or groups that have rights or interests that are affected or could be affected by the company’s activities or the activities of entities in its value chain, and the legitimate representatives of such individuals or groups, including:*

*- the company’s workers, the workers of its subsidiaries;*

*- legal or natural persons defending human rights, the environment and good governance;*

*- organisations whose statutory purpose is the defence of human rights, climate and the environment and good governance;*

*- trade unions, workers and their representatives;*

Or. en

## **Amendment 79**

### **Proposal for a directive**

#### **Article 3 – paragraph 1 – point n a (new)**

*Text proposed by the Commission*

*Amendment*

*(na) ‘vulnerable stakeholders’ means affected stakeholders that find themselves in marginalised situations and situations of vulnerability, due to specific contexts or intersecting factors, including among others, sex, gender, age, race, ethnicity, class, education, indigenous identity, migration status, disability, as well as social and economic status, and includes stakeholders living in areas affected by conflict and occupation, which are the causes of diverse and often disproportionate adverse impacts, and create discrimination and additional barriers to participation and access to justice ;*

Or. en

## **Amendment 80**

### **Proposal for a directive**

#### **Article 3 – paragraph 1 – point n b (new)**

*Text proposed by the Commission*

*Amendment*

*(nb) ‘meaningful engagement’ means an ongoing process of interaction and dialogue between a company and affected stakeholders that enables the company to listen to, understand and respond to their interests and concerns in good faith, including through collaborative*

*approaches;*

Or. en

## Amendment 81

### Proposal for a directive

#### Article 3 – paragraph 1 – point q

*Text proposed by the Commission*

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

*Amendment*

(q) ‘appropriate measure’ means a measure that is capable of achieving the objectives of due diligence ***in a manner proportionate to*** the degree of severity and the likelihood of the adverse impact, taking into account the circumstances of the specific case, including ***the nature of the adverse impact,*** characteristics of the economic sector, ***the nature of the company’s specific activities, products and services,*** ***and*** the specific business relationship;

Or. en

## Amendment 82

### Proposal for a directive

#### Article 3 – paragraph 1 – point q a (new)

*Text proposed by the Commission*

*Amendment*

***(qa) ‘control’ means the possibility for an undertaking to exercise decisive influence on another undertaking, in particular through ownership or the right to use all or part of the assets of the latter, or through rights or contracts or any other means, having regard to all factual considerations, which confer decisive influence on the composition, voting or decisions of the decision making bodies of an undertaking;***

### Amendment 83

#### Proposal for a directive

#### Article 4 – paragraph 1 – introductory part

*Text proposed by the Commission*

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

*Amendment*

1. Member States shall ensure that companies conduct due diligence **in relation to human rights, the environment, and good governance** as laid down in Articles 5 to **IIa** ('due diligence') by carrying out the following actions:

Or. en

### Amendment 84

#### Proposal for a directive

#### Article 4 – paragraph 1 – point c a (new)

*Text proposed by the Commission*

*Amendment*

**(ca) remedying actual adverse impacts in accordance with Article 8a;**

Or. en

### Amendment 85

#### Proposal for a directive

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

*Text proposed by the Commission*

(d) establishing **and maintaining** a complaints **procedure** in accordance with Article 9;

*Amendment*

(d) establishing **or participating in** a complaints **mechanism** in accordance with Article 9;

Or. en



## Amendment 86

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

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 87

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

*Text proposed by the Commission*

*Amendment*

***(fa) consulting with affected stakeholders throughout the actions listed in points (a) to (f) of this Article in accordance with Article 11a ;***

Or. en

## Amendment 88

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

*Text proposed by the Commission*

*Amendment*

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

Member States shall ensure that companies integrate due diligence into all their corporate policies and have in place a due diligence policy, ***developed in consultation with trade union and workers' representatives, and other stakeholders, with particular attention to be paid to the needs of vulnerable stakeholders*** . The due diligence policy shall contain all of the following:

## Amendment 89

### Proposal for a directive

#### Article 5 – paragraph 1 – point a

*Text proposed by the Commission*

(a) a description of the company's approach, including in the long term, to due diligence;

*Amendment*

(a) a description of the company's approach, including in the long term, to due diligence, ***and a commitment to respecting internationally recognised human rights, environmental and good governance standards, such as those listed in the Annex to this Directive;***

Or. en

## Amendment 90

### Proposal for a directive

#### Article 5 – paragraph 1 – point b

*Text proposed by the Commission*

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

*Amendment*

(b) a code of conduct describing rules and principles to be followed by the company's ***workers*** and subsidiaries ***across all corporate functions and operations;***

Or. en

## Amendment 91

### Proposal for a directive

#### Article 5 – paragraph 1 – point c

*Text proposed by the Commission*

(c) a description of the processes put in place to implement due diligence, including the measures taken to ***verify compliance with the code of conduct and***

*Amendment*

(c) a description of the processes put in place to implement due diligence, including the measures taken to ***incorporate due diligence expectations***

*to extend its application to established business relationships.*

*and policies into agreements with entities with which a company has a business relationship and measures taken to monitor and verify due diligence activities.*

Or. en

## Amendment 92

### Proposal for a directive Article 6 – title

*Text proposed by the Commission*

Identifying actual and potential adverse impacts

*Amendment*

Identifying **and assessing** actual and potential adverse impacts

Or. en

## Amendment 93

### Proposal for a directive Article 6 – paragraph 1

*Text proposed by the Commission*

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

*Amendment*

1. Member States shall ensure that companies take appropriate measures **and carry out a broad scoping exercise of their operations, subsidiaries and business relationships in order** to identify actual and potential adverse human rights, environmental **and good governance** impacts arising from their own operations, **products and services** or those of their subsidiaries and **those** related to their value chains.

Or. en

## Amendment 94

### Proposal for a directive Article 6 – paragraph 2

*Text proposed by the Commission*

2. *By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), shall only be required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).*

*Amendment*

2. *Member States shall ensure that, as part of their due diligence process and for the purpose of prioritising potential impacts where necessary, companies shall:*

*(a) identify areas where potential adverse impacts are most likely to occur and where potential impacts are most likely to be severe, including mapping individual higher risk operations, subsidiaries and business relationships which should be prioritised, taking into account relevant risk factors ; and*

*(b) carry out in-depth assessments of prioritised operations, subsidiaries and business relationships in order to determine the nature and extent of specific actual and potential adverse impacts.*

Or. en

## Amendment 95

### Proposal for a directive Article 6 – paragraph 3

*Text proposed by the Commission*

3. *When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service..*

*Amendment*

*deleted*

## Amendment 96

### Proposal for a directive Article 6 – paragraph 4

#### *Text proposed by the Commission*

4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, **where relevant**, also carry out consultations with potentially affected groups including workers and other relevant stakeholders to **gather information on** actual or potential adverse impacts.

#### *Amendment*

4. Member States shall ensure that, for the purposes of identifying **and assessing** the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall also carry out consultations with potentially affected groups including workers and other relevant stakeholders to **identify and assess** actual or potential adverse impacts.

Or. en

## Amendment 97

### Proposal for a directive Article 6 – paragraph 4 a (new)

#### *Text proposed by the Commission*

#### *Amendment*

**4a. Member States shall ensure that companies take appropriate measures to reassess impacts at regular intervals, including in relation to significant changes in the company's operations, business relationships or operating environments, in response to complaints, and periodically during the relevant activity or business relationship.**

Or. en

## Amendment 98

### Proposal for a directive Article 7 – paragraph 1

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 99

### Proposal for a directive Article 7 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. In cases where it is not possible to prevent and mitigate all identified potential impacts simultaneously, companies may prioritise the order in which they take appropriate measures. They shall do so on the basis of the severity and likelihood of impacts and in a manner informed by meaningful engagement with affected stakeholders. The severity of an adverse impact shall be determined based on its gravity, the number of individuals that are or will be affected, or the extent of the environment that is or may be damaged or otherwise affected, its irreversibility and any limits on the ability to restore affected***

*individuals or the environment to a situation equivalent to their situation prior to the impact. The company's degree of influence, leverage over or proximity to the subsidiaries or entities with which it has a business relationship is not relevant to its prioritisation decisions under this Directive.*

Or. en

## Amendment 100

### Proposal for a directive

#### Article 7 – paragraph 2 – introductory part

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

Companies shall be required to take the following actions, where relevant:

##### *Amendment*

Companies shall be required to take ***appropriate measures, including*** the following actions, where relevant ***to the circumstances:***

Or. en

## Amendment 101

### Proposal for a directive

#### Article 7 – paragraph 2 – point a

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

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

##### *Amendment*

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

Or. en

## Amendment 102

### Proposal for a directive

#### Article 7 – paragraph 2 – point b

*Text proposed by the Commission*

(b) *seek* contractual *assurances from a business* partner with whom it has a *direct* business relationship that it will ensure *compliance with the company's code of conduct and*, as necessary, a prevention action plan, *including by seeking* corresponding contractual *assurances from its* partners, to the extent that their activities are part of the company's value chain (contractual cascading). When such contractual assurances are obtained, paragraph 4 shall apply;

*Amendment*

(b) *establish through reasonable and equitable* contractual *provisions with a* partner with whom it has a business relationship that it will *participate in carrying out due diligence as outlined in this Directive, and* ensure *it respects*, as necessary, a prevention action plan. *Partners with whom the company has a business relationship shall be asked to establish* corresponding *reasonable and equitable* contractual *provisions with their* partners, to the extent that their activities are part of the company's value chain (contractual cascading). When such contractual assurances are obtained, paragraph 4 shall apply;

Or. en

## Amendment 103

### Proposal for a directive

#### Article 7 – paragraph 2 – point c

*Text proposed by the Commission*

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

*Amendment*

(c) make necessary *modifications, improvements to, or* investments *in, the company's own operations*, such as into management, production *or other operational* processes, *facilities, products and product traceability, services and skills, in order to prevent or mitigate potential adverse impacts;*

Or. en



## Amendment 104

### Proposal for a directive

#### Article 7 – paragraph 2 – point c a (new)

*Text proposed by the Commission*

*Amendment*

***(ca) adapt business models and strategies, including trading, procurement and pricing practices, in order to prevent potential adverse impacts;***

Or. en

## Amendment 105

### Proposal for a directive

#### Article 7 – paragraph 2 – point d

*Text proposed by the Commission*

*Amendment*

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

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

Or. en

## Amendment 106

### Proposal for a directive

#### Article 7 – paragraph 2 – point d a (new)

*Text proposed by the Commission*

*Amendment*

***(da) engage with a partner with which the company has a business relationship about the company's expectations with regards to preventing and mitigating the potential adverse impacts, including providing or enabling access to capacity-building, guidance, financial support or***

*participation in collaborative initiatives;  
and*

Or. en

### **Amendment 107**

#### **Proposal for a directive Article 7 – paragraph 2 – point e**

*Text proposed by the Commission*

(e) in compliance with Union law including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end, in particular where no other action is suitable or effective.

*Amendment*

(e) in compliance with Union law including competition law, collaborate with other entities, including, where relevant ***to the circumstances*** , to increase the company's ability to bring the adverse impact to an end, in particular where no other action is suitable or effective.

Or. en

### **Amendment 108**

#### **Proposal for a directive Article 7 – paragraph 3**

*Text proposed by the Commission*

***3. As regards potential adverse impacts that could not be prevented or adequately mitigated by the measures in paragraph 2, the company may seek to conclude a contract with a partner with whom it has an indirect relationship, with a view to achieving compliance with the company's code of conduct or a prevention action plan. When such a contract is concluded, paragraph 4 shall apply.***

*Amendment*

***deleted***

Or. en

## Amendment 109

### Proposal for a directive

#### Article 7 – paragraph 4 – subparagraph 1

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

The contractual *assurances* or the contract shall be accompanied by *the appropriate* measures to *verify compliance*. For the purposes of *verifying compliance*, the company may refer to suitable industry initiatives or independent third-party verification.

##### *Amendment*

The contractual *provisions* or the contract shall be accompanied by measures to *support carrying out due diligence*. For the purposes of *carrying out due diligence as provided for in this Directive*, the company may refer to suitable *and credible* industry initiatives or independent third-party verification. *However the sole reference to such initiatives or verification shall not be sufficient to satisfy the due diligence requirements of this Directive.*

Or. en

## Amendment 110

### Proposal for a directive

#### Article 7 – paragraph 4 – subparagraph 2 a (new)

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

##### *Amendment*

*The contractual provisions sought in accordance with paragraph 2 shall not be such as to result in the transfer of responsibility for carrying out due diligence in accordance with this Directive.*

*The existence of such contractual provisions shall in no way preclude the company from taking the measures provided for in this Directive, and liability for failure to do so.*

*In seeking such contractual provisions, companies shall assess whether the business partner can reasonably be expected to carry out due diligence in line with this Directive, taking into account, amongst other factors, the sector, context and level of risk of the business*

*relationship and the business partner; the resources, experience, history and credentials of each business partner; and any support given by the company concerned to its business partner.*

*In cases where such contractual provisions are breached, giving rise to potential adverse impacts, the company shall first take appropriate measures to prevent or adequately mitigate such impacts, before considering the termination or suspension of the contract.*

Or. en

## **Amendment 111**

### **Proposal for a directive**

#### **Article 7 – paragraph 5 – subparagraph 1 – introductory part**

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

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

##### *Amendment*

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

Or. en

## **Amendment 112**

### **Proposal for a directive**

#### **Article 7 – paragraph 5 – subparagraph 1 – point a**

*Text proposed by the Commission*

(a) temporarily suspend commercial relations with the partner in question, while pursuing prevention and *minimisation* efforts, *if there is reasonable expectation that these efforts will succeed in the short-term*;

*Amendment*

(a) temporarily suspend commercial relations with the partner in question, while pursuing prevention and *mitigation* efforts;

Or. en

### **Amendment 113**

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

#### **Article 7 – paragraph 5 – subparagraph 1 – point b**

*Text proposed by the Commission*

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

*Amendment*

(b) terminate the business relationship with respect to the activities concerned, *on account of the severity of* the potential adverse impact.

Or. en

### **Amendment 114**

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

#### **Article 7 – paragraph 5 – subparagraph 2**

*Text proposed by the Commission*

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

*Amendment*

*Prior to temporarily suspending commercial relations or terminating the business relationship, companies shall first be required to assess, in consultation with relevant stakeholders, whether the adverse impacts of doing so would be greater than the adverse impact which is intended to be prevented or mitigated. Should that be the case, companies may refrain from temporarily suspending commercial relations or terminating the business relationship. Where companies*

*do suspend commercial relations or terminate the business relationship, they shall take steps to prevent, mitigate, or bring to an end such impacts, provide reasonable notice to the business partner and keep that decision under review.*

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

Or. en

## Amendment 115

### Proposal for a directive Article 7 – paragraph 5 a (new)

*Text proposed by the Commission*

*Amendment*

**5a.** *For the purposes of this Article, in cases where a company may cause an adverse impact, appropriate measures shall be understood as measures which aim to prevent or mitigate a potential adverse impact. In cases where a company may contribute to an adverse impact, appropriate measures shall be understood as measures which aim to prevent or mitigate the contribution to the impact, using or increasing the company's leverage with other responsible parties to prevent or mitigate the potential adverse impact. In cases where a company's operations, products or services may be directly linked to an adverse impact through its relationships with other entities, appropriate measures shall be understood as measures which aim to use or increase the company's leverage with responsible parties to seek to prevent or mitigate the potential adverse impact.*

Or. en

## Amendment 116

### Proposal for a directive Article 7 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6.** *By way of derogation from paragraph 5, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, they shall not be required to terminate the credit, loan or other financial service contract when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided.*

*deleted*

Or. en

## Amendment 117

### Proposal for a directive Article 8 – paragraph 1

*Text proposed by the Commission*

*Amendment*

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

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

Or. en

## Amendment 118

### Proposal for a directive Article 8 – paragraph 2

*Text proposed by the Commission*

*Amendment*

**2.** Where the adverse impact cannot

**2.** Where the adverse impact cannot

be brought to an end, Member States shall ensure that companies *minimise* the extent of such an impact.

be brought to an end, Member States shall ensure that companies *adequately mitigate* the extent of such an impact, *while pursuing efforts to bring the adverse impact to an end.*

Or. en

## **Amendment 119**

### **Proposal for a directive Article 8 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2a. Without prejudice to paragraph 2, in cases where it is not possible to bring to an end or mitigate all identified adverse impacts simultaneously, companies may prioritise the order in which they take appropriate measures. They shall do so on the basis of the severity and likelihood of impacts and in a manner informed by meaningful engagement with affected stakeholders. The severity of an adverse impact shall be determined based on its gravity, the number of individuals that are or will be affected, or the extent of the damage or potential damage to, or other effects on, the environment, whether the impact is irreversible and any limits on the ability to restore affected individuals or the environment to a situation equivalent to their situation prior to the impact. The company's degree of influence, leverage over or proximity to the subsidiaries or entities with which it has a business relationship is not relevant to its prioritisation decisions under this Directive.***

Or. en



## Amendment 120

### Proposal for a directive

#### Article 8 – paragraph 3 – introductory part

*Text proposed by the Commission*

Companies shall be required to take the following actions, where relevant:

*Amendment*

Companies shall be required to take ***appropriate measures, including*** the following actions, where relevant ***to the circumstances***:

Or. en

## Amendment 121

### Proposal for a directive

#### Article 8 – paragraph 3 – point a

*Text proposed by the Commission*

(a) neutralise the adverse impact or ***minimise*** its extent, including by the payment of damages to the affected persons and of financial compensation to the affected communities. The action shall be proportionate to the significance and scale of the adverse impact and to the contribution of the company's conduct to the adverse impact;

*Amendment*

(a) ***in accordance with Article 8a,*** neutralise the adverse impact or ***adequately mitigate*** its extent ***by restoring affected stakeholders and/or the environment to a situation equivalent to their situation prior to the impact, or as close as possible to that position in the circumstances, taking into account the perspectives of affected stakeholders and in particular the needs of vulnerable stakeholders,*** including by the payment of damages to the affected persons and of financial compensation to the affected communities. The action shall be proportionate to the significance and scale of the adverse impact and to the contribution of the company's conduct to the adverse impact;

Or. en

## Amendment 122

### Proposal for a directive

#### Article 8 – paragraph 3 – point b

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

**Amendment 123**

**Proposal for a directive  
Article 8 – paragraph 3 – point c**

*Text proposed by the Commission*

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

*Amendment*

(c) **establish through reasonable and equitable** contractual **provisions with a** partner with whom it has **a** business relationship that it will **participate in carrying out due diligence as provided for in this Directive, and** ensure **it respects**, as necessary, a corrective action plan. **Partners with whom the company has a business relationship shall be asked to establish** corresponding **reasonable and equitable** contractual **provisions with their** partners, to the extent that they are part of the value chain (contractual cascading). When such contractual assurances are obtained, paragraph 5 shall apply.

Or. en

**Amendment 124**

**Proposal for a directive  
Article 8 – paragraph 3 – point d**

*Text proposed by the Commission*

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

*Amendment*

(d) make necessary ***modifications, improvements to or investments in the company's own operations***, such as into management, production *or other operational* processes, ***facilities, products and product traceability, services and skills, in order to bring the impact to an end, remedy it or prevent it from recurring;***

Or. en

**Amendment 125**

**Proposal for a directive  
Article 8 – paragraph 3 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(da) adapt business models and strategies, including trading, procurement and pricing practices, in order to bring to an end or mitigate adverse impacts;***

Or. en

**Amendment 126**

**Proposal for a directive  
Article 8 – paragraph 3 – point e**

*Text proposed by the Commission*

*Amendment*

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

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

Or. en

## Amendment 127

### Proposal for a directive Article 8 – paragraph 3 – point e a (new)

*Text proposed by the Commission*

*Amendment*

***(e a) engage with a partner with which the company has a business relationship about the company's expectations with regard to bringing to an end and mitigating adverse impacts, including providing or enabling access to capacity-building, guidance, financial support or participation in collaborative initiatives; and***

Or. en

## Amendment 128

### Proposal for a directive Article 8 – paragraph 3 – point f

*Text proposed by the Commission*

*Amendment*

(f) in compliance with Union law including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end, in particular where no other action is suitable or effective.

(f) in compliance with Union law including competition law, collaborate with other entities, including, where relevant ***to the circumstances***, to increase the company's ability to bring the adverse impact to an end, in particular where no other action is suitable or effective.

Or. en

## Amendment 129

### Proposal for a directive Article 8 – paragraph 4

*Text proposed by the Commission*

*Amendment*

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

*deleted*

Or. en

### **Amendment 130**

#### **Proposal for a directive Article 8 – paragraph 5 – subparagraph 1**

*Text proposed by the Commission*

*Amendment*

The contractual *assurances* or the contract shall be accompanied by *the appropriate* measures to *verify compliance*. For the purposes of *verifying compliance*, the company may refer to suitable industry initiatives or independent third-party verification.

The contractual *provisions* or the contract shall be accompanied by measures to *support carrying out due diligence*. For the purposes of *carrying out due diligence as outlined in this Directive*, the company may refer to suitable *and credible* industry initiatives or independent third-party verification. *However, the sole reference to such initiatives or verification shall not be sufficient to satisfy the due diligence requirements of this Directive.*

Or. en

### **Amendment 131**

#### **Proposal for a directive Article 8 – paragraph 5 – subparagraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

*The contractual provisions sought in*

*accordance with paragraph 3 shall not be such as to result in the transfer of responsibility for carrying out due diligence in line with this Directive.*

*The existence of such contractual provisions shall in no way preclude the company from taking the measures provided for in this Directive, and liability for failure to do so.*

*In seeking such contractual provisions, companies shall assess whether the business partner can reasonably be expected to carry out due diligence in accordance with this Directive, taking into account, amongst other factors, the sector, context and level of risk of the business relationship and the business partner; the resources, experience, history and credentials of each business partner; and any support given by the company concerned to its business partner.*

*In cases where such contractual provisions are breached which may have given rise to actual adverse impacts, the company shall first take appropriate measures to bring such impacts to an end, before considering the termination or suspension of the contract.*

Or. en

## Amendment 132

### Proposal for a directive

#### Article 8 – paragraph 6 – subparagraph 1 – introductory part

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

As regards actual adverse impacts within the meaning of paragraph 1 that could not be brought to an end or the extent of which could not be *minimised* by the measures provided for in paragraphs 3, 4 and 5, the company shall refrain from entering into new or extending existing relations with the partner in connection to or in the value

##### *Amendment*

As regards actual adverse impacts within the meaning of paragraph 1 that could not be brought to an end or the extent of which could not be *mitigated* by the measures provided for in paragraphs 3, 4 and 5 *or any other means and where there is no reasonable prospect of change*, the company shall refrain from entering into

chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take one of the following actions:

new or extending existing relations with the partner in connection to or in the value chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take one of the following actions:

Or. en

### Amendment 133

#### Proposal for a directive

#### Article 8 – paragraph 6 – subparagraph 1 – point a

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

(a) temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or *minimise* the extent of the adverse impact, or

##### *Amendment*

(a) temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or *mitigate* the extent of the adverse impact, or

Or. en

### Amendment 134

#### Proposal for a directive

#### Article 8 – paragraph 6 – subparagraph 1 – point b

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

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

##### *Amendment*

(b) terminate the business relationship with respect to the activities concerned, *on account of the severity of* the adverse impact.

Or. en

### Amendment 135

#### Proposal for a directive

#### Article 8 – paragraph 6 – subparagraph 2

*Text proposed by the Commission*

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

*Amendment*

***Prior to temporarily suspending commercial relations or terminating the business relationship, companies shall first be required to assess, in consultation with relevant stakeholders, whether the adverse impacts of doing so would be greater than the adverse impact which is intended to be brought to an end or mitigated. Should this be the case, companies may refrain from temporarily suspending commercial relations or terminating the business relationship. Where companies do temporarily suspend commercial relations or terminate the business relationship, they shall take steps to prevent, mitigate or bring to an end such impacts, provide reasonable notice to the business partner and keep that decision under review.*** Member States shall provide for the availability of an option to ***suspend or*** terminate the business relationship in contracts governed by their laws.

Or. en

**Amendment 136**

**Proposal for a directive  
Article 8 – paragraph 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***6a. For the purposes of this Article, in cases where a company has caused an impact, appropriate measures shall be understood as measures which aim to mitigate an adverse impact, and remediate damage. In cases where a company has contributed to an adverse impact, appropriate measures shall be understood as measures which aim to mitigate the contribution to the impact, using or increasing the company's leverage with***



*other responsible parties to mitigate the potential adverse impact and contribute to remediating damage, to the extent of the contribution. In cases where a company's operations, products or services are directly linked to an adverse impact through its relationships with other entities, appropriate measures shall be understood as measures which aim to use or increase the company's leverage with responsible parties to seek to mitigate the adverse impact. A company directly linked to an adverse impact shall consider using its leverage with responsible parties to enable the remediation of any damage caused by an impact.*

Or. en

#### **Amendment 137**

##### **Proposal for a directive Article 8 – paragraph 7**

*Text proposed by the Commission*

*Amendment*

*7. By way of derogation from paragraph 6, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, they shall not be required to terminate the credit, loan or other financial service contract, when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided.*

*deleted*

Or. en

#### **Amendment 138**

##### **Proposal for a directive Article 8 a (new)**

***Article 8a***

***Remedying actual adverse impacts***

- 1. Member States shall ensure that where a company has, or may have, caused or contributed to an adverse impact, that company shall take appropriate measures to remedy that adverse impact and the possible harm it has caused to people.***
- 2. Such remedial measures may include, but are not limited to, financial or non-financial compensation, restitution, rehabilitation, public apologies, reinstatement or a contribution to investigations.***
- 3. Any such remedial measures shall be developed in consultation with all affected stakeholders.***
- 4. Member States shall ensure that any remedial action does not prevent affected stakeholders from taking further action, including making complaints and commencing civil procedures, and in particular stakeholders affected by an adverse impact shall not be required to seek remediation prior to filing claims in court.***
- 5. Where a company is directly linked to an adverse impact, Member States shall encourage its voluntary participation in any remedial measures, where appropriate, and encourage companies to consider using their leverage with responsible parties to enable the remediation of any damage caused by an impact.***

Or. en

## Amendment 139

### Proposal for a directive Article 9 – title

*Text proposed by the Commission*

Complaints *procedure*

*Amendment*

Complaints *mechanism*

Or. en

## Amendment 140

### Proposal for a directive Article 9 – paragraph 1

*Text proposed by the Commission*

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

*Amendment*

1. Member States shall ensure that companies *establish or participate in effective mechanisms that can be used by* persons and organisations listed in paragraph 2 to submit complaints to them where they have legitimate concerns regarding actual or potential adverse human rights, environmental *or good governance* impacts with respect to *the companies'* own operations, the operations of their subsidiaries and their value chains. *Member States shall ensure that companies are able to provide such a possibility to submit complaints through collaborative arrangements with other companies or organisations, by participating in multi-stakeholder grievance mechanisms or joining a Global Framework Agreement.*

Or. en

## Amendment 141

### Proposal for a directive Article 9 – paragraph 2 – point b

*Text proposed by the Commission*

(b) trade unions and other workers' representatives representing individuals working in the value chain concerned,

*Amendment*

(b) trade unions and other workers' representatives, ***including those*** representing individuals working in the value chain concerned,

Or. en

**Amendment 142**

**Proposal for a directive  
Article 9 – paragraph 2 – point c**

*Text proposed by the Commission*

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

*Amendment*

(c) civil society organisations active in the areas related to the value chain concerned, ***and***

Or. en

**Amendment 143**

**Proposal for a directive  
Article 9 – paragraph 2 – point c a (new)**

*Text proposed by the Commission*

*Amendment*

***(ca) legal or natural persons defending human rights, good governance and the environment.***

Or. en

**Amendment 144**

**Proposal for a directive  
Article 9 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3a.** *Member States shall ensure that when companies establish or participate in complaints mechanisms, those mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible and based on engagement and dialogue. Complaints mechanisms shall be designed and operated in a manner that is informed by the perspectives of stakeholders and adapted to the needs of people who may be most vulnerable to adverse impacts.*

Or. en

#### **Amendment 145**

##### **Proposal for a directive Article 9 – paragraph 3 b (new)**

*Text proposed by the Commission*

*Amendment*

**3b.** *Member States shall ensure companies proactively raise awareness among stakeholders of the existence, objectives and processes of complaints mechanisms. Companies shall take measures to ensure that complainants are free from retaliation or retribution, including by ensuring that complaints can be raised either anonymously or confidentially, as appropriate in accordance with national law, and adopt and implement policies to that effect.*

Or. en

#### **Amendment 146**

##### **Proposal for a directive Article 9 – paragraph 3 c (new)**

*Text proposed by the Commission*

*Amendment*

**3c. Companies shall report on reasonable concerns raised via their grievance mechanisms and regularly report on progress made in those instances. All information shall be published in a manner that does not endanger the stakeholders' safety, including by not disclosing their identity.**

Or. en

#### **Amendment 147**

##### **Proposal for a directive Article 9 – paragraph 4 – point a**

*Text proposed by the Commission*

*Amendment*

(a) to **request** appropriate follow-up on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, and

(a) to **receive timely and** appropriate follow-up on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, **providing substantiated reasoning as to whether a claim has been considered founded or unfounded**, and

Or. en

#### **Amendment 148**

##### **Proposal for a directive Article 9 – paragraph 4 – point b**

*Text proposed by the Commission*

*Amendment*

(b) to meet with the company's representatives at an appropriate level to discuss potential or actual **severe** adverse impacts that are the subject matter of the complaint.

(b) to meet with the company's representatives at an appropriate level to discuss potential or actual adverse impacts that are the subject matter of the complaint.

Or. en

## Amendment 149

### Proposal for a directive Article 9 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4a.** *Member States shall ensure that supervisory authorities are empowered to issue guidance to companies and other actors responsible for developing and administering complaints mechanisms, including in relation to their compliance with the criteria set out in this Article, in line with relevant international standards.*

Or. en

## Amendment 150

### Proposal for a directive Article 9 – paragraph 4 b (new)

*Text proposed by the Commission*

*Amendment*

**4b.** *Raising a concern under this Article shall not be a prerequisite nor preclude the claimants from having access to the substantiated concerns procedure under Article 19 nor to judicial or other non-judicial mechanisms.*

Or. en

## Amendment 151

### Proposal for a directive Article 10 – title

*Text proposed by the Commission*

*Amendment*

Monitoring

Monitoring *and verification*

**Amendment 152****Proposal for a directive  
Article 10 – paragraph 1***Text proposed by the Commission*

Member States shall ensure that companies *carry out periodic assessments of their own operations and measures, those of their subsidiaries and, where related to the value chains of the company, those of their established business relationships, to monitor the effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of human rights and environmental adverse impacts. Such assessments* shall be based, where *appropriate*, on qualitative and quantitative indicators and be carried out at least every 12 months and whenever there are reasonable grounds to believe that *significant* new risks of the occurrence of those adverse impacts may arise. The due diligence policy shall be updated in accordance with the outcome of those assessments.

*Amendment*

Member States shall ensure that companies *regularly verify and* monitor the *adequacy and* effectiveness of *their actions taken in accordance with Article 4. Companies shall be required to carry out monitoring and verification in consultation with affected stakeholders and it* shall be based, where *possible*, on qualitative and quantitative indicators and be carried out at least every 12 months, *taking into account the nature, severity and likelihood of the adverse impacts in question* and whenever there are reasonable grounds to believe that new risks of the occurrence of those adverse impacts may arise. *Where appropriate*, the due diligence policy *and public communication* shall be *reviewed and* updated in accordance with the outcome of those assessments. *Companies shall retain documentation demonstrating their compliance with this Article for 5 years.*

Or. en

**Amendment 153****Proposal for a directive  
Article 11 – paragraph -1 (new)***Text proposed by the Commission**Amendment*

*Requirements on companies to report on their due diligence process established in Directive 2013/34/EU shall be understood as a requirement for companies to*



*describe how they conduct due diligence as provided for in Article 4. When fulfilling the requirements of Directive 2013/34/EU to report on actions taken to identify potential or actual adverse, companies shall explain whether they prioritised the order in which they took appropriate measures, how that approach was applied, and why it was necessary to prioritise.*

Or. en

## Amendment 154

### Proposal for a directive Article 11 – paragraph 1

#### *Text proposed by the Commission*

Member States shall ensure that companies that are not subject to reporting requirements under Articles 19a and 29a of Directive 2013/34/EU report on the matters covered by this Directive by publishing on their website an annual statement in a language customary in the sphere of international business. The statement shall be published by 30 April each year, covering the previous calendar year.

#### *Amendment*

Member States shall ensure that companies that are not subject to reporting requirements under Articles 19a and 29a of Directive 2013/34/EU report on the matters covered by this Directive by publishing on their website an annual statement ***that meets those requirements*** in a language customary in the sphere of international business, ***and audited in line with the requirements outlined in Directive 2006/43/EC<sup>129a</sup>***. The statement shall be published by 30 April each year, covering the previous calendar year.

***<sup>129a</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).***

Or. en

## Amendment 155

### Proposal for a directive Article 11 – paragraph 2

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 156

### Proposal for a directive Article 11 a (new)

*Text proposed by the Commission*

*Amendment*

#### ***Article 11a***

##### ***Consultation of affected stakeholders***

- 1. Member States shall ensure that companies consult affected stakeholders by carrying out effective, meaningful and informed engagement with them on the actions provided for in Articles 4 to 11.***
- 2. Companies shall consult affected stakeholders proactively, and shall provide timely and culturally sensitive information to affected stakeholders about their actual or potential adverse impacts on the environment, human rights and good governance, including information about any changes to operations, activities or operating context. Affected stakeholders shall have the right to request additional written information, which shall be provided by the company within a reasonable timeframe and in an appropriate and comprehensible format.***

*If the company refuses a request for additional information, the affected stakeholder shall be entitled to written justification for that refusal.*

*3. The consultation of affected stakeholders shall take due account of barriers to participation faced by affected stakeholders and of the specific needs of vulnerable stakeholders.*

*4. Workers representatives shall be informed by their company on its due diligence strategy and the implementation thereof, to which they shall be able to contribute, in accordance with Directive 2002/14/EC of the European Parliament and of the Council<sup>129a</sup> and Directive 2009/38/EC of the European Parliament and of the Council<sup>129b</sup>, and Council Directive 2001/86/EC of the European Parliament and of the Council<sup>129c</sup>.*

*5. In consulting affected stakeholders, companies shall ensure that participants are not the subject of retaliation or retribution, including by maintaining confidentiality or anonymity. Companies shall pay particular attention to the needs of vulnerable or marginalised stakeholders, including children, and overlapping vulnerabilities and intersecting factors, ensure a gender-responsive approach, and fully respect the United Nations Declaration on the Rights of Indigenous Peoples including the principles of free, prior and informed consent and the right to self-determination.*

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<sup>129a</sup> *Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community (OJ L 80, 23.3.2002, p. 29).*

<sup>129b</sup> *Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European*

*Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast) (OJ L 122, 16.5.2009, p. 28).*

*<sup>129c</sup> Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees (OJ L 294, 10.11.2001, p. 22).*

Or. en

## Amendment 157

### Proposal for a directive Article 12 – paragraph 1

*Text proposed by the Commission*

In order to provide support to companies to facilitate their compliance with Article 7(2), point (b), and Article 8(3), point (c), the Commission shall adopt guidance about voluntary model contract clauses.

*Amendment*

**1.** In order to provide support to companies to facilitate their compliance with Article 7(2), point (b), and Article 8(3), point (c), the Commission shall adopt guidance about voluntary model contract clauses ***These clauses shall provide for the shared responsibility for due diligence in contractual clauses. Those model contractual clauses shall stipulate, as a minimum:***

***(a) that the responsibility to undertake due diligence consists of mutual obligations shared between both contracting parties, in ongoing cooperation, and contractual clauses shall not be such as to result in the transfer of responsibility for carrying out due diligence; and***

***(b) without prejudice to Article 7 (5) and Article 8 (6), that, where due diligence related contractual provisions have been infringed, giving rise to potential adverse impacts, prevention, mitigation and remediation of adverse impacts are to be prioritised over***

*termination or suspension of the contract.*

Or. en

## **Amendment 158**

### **Proposal for a directive**

#### **Article 12 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*1a. The guidance shall further clarify that contractual provisions cannot, on their own, satisfy the due diligence standards of this Directive.*

Or. en

## **Amendment 159**

### **Proposal for a directive**

#### **Article 12 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

*1b. A company concluding contractual terms with a partner with which it has a business relationship shall assess whether the business partner can be reasonably expected to carry out due diligence in accordance with this Directive, and provide the necessary support in order to overcome any organisational or structural impediments.*

Or. en

## **Amendment 160**

### **Proposal for a directive**

#### **Article 13 – paragraph 1**

*Text proposed by the Commission*

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

*Amendment*

In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, in consultation with Member States, ***representative SME organisations, business organisations*** and stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, ***the European Labour Authority*** and where appropriate with international bodies having expertise in due diligence, ***shall*** issue guidelines, including for specific sectors or specific adverse impacts ***or contexts, such as situations of conflict or occupation. The Commission may also issue guidelines on responsible purchasing practices.***

Or. en

**Amendment 161**

**Proposal for a directive  
Article 14 – paragraph 1**

*Text proposed by the Commission*

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

*Amendment*

1. Member States shall, in order to provide information and support to companies and the partners with whom they have business relationships in their value chains in their efforts to fulfil the obligations resulting from this Directive, set up and operate individually or jointly dedicated ***user-friendly*** websites, platforms or portals. Specific consideration shall be given, in that respect, to SMEs . ***Member States shall also ensure that training on how to perform due diligence is made available for*** companies, ***especially SMEs.***

Or. en

## Amendment 162

### Proposal for a directive Article 14 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. Member States shall provide support for stakeholders, including for their capacity development, and provide them with information and assistance to facilitate their access to justice.***

Or. en

## Amendment 163

### Proposal for a directive Article 14 – paragraph 2

*Text proposed by the Commission*

*Amendment*

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

2. Without prejudice to applicable State aid rules, Member States ***shall provide financial and other*** support to ***SMEs, in order to meet the expectations imposed on them under this Directive.***

Or. en

## Amendment 164

### Proposal for a directive Article 14 – paragraph 3

*Text proposed by the Commission*

*Amendment*

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

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

obligations.

obligations. *The Commission and Member States shall develop and strengthen cooperation and partnership mechanisms with third countries to address the root causes of adverse impacts on human rights, the environment and good governance, and build the capacity of upstream economic actors to comply with the requirements under this Directive.*

Or. en

## Amendment 165

### Proposal for a directive Article 14 – paragraph 4

#### *Text proposed by the Commission*

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

#### *Amendment*

4. Companies may **use credible** industry schemes and multi-stakeholder initiatives to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment of those obligations. The Commission and the Member States may facilitate the dissemination of information on **the precise scope, alignment with this Directive, and credibility of** such schemes or initiatives and their outcome. The Commission, in collaboration with Member States, **shall** issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives. **The company shall be responsible for assessing the reliability and quality of any industry initiative that they use.**

Or. en



## Amendment 166

### Proposal for a directive Article 15 – paragraph 1

*Text proposed by the Commission*

1. Member States shall ensure that companies referred to in Article 2(1), **point (a), and Article 2(2), point (a)**, shall adopt a plan to ensure that the business model and strategy of the company are **compatible** with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. ***This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which climate change is a risk for, or an impact of, the company's operations.***

*Amendment*

1. Member States shall ensure that companies referred to in Article 2, shall adopt ***and effectively implement*** a plan to ensure that the business model and strategy of the company are ***aligned*** with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement, ***the objective of achieving climate neutrality by 2050 and the 2030 climate target established in Regulation (EU) 2021/1119, and pursuant to the latest recommendations of the IPCC and the European Scientific Advisory Board on Climate Change. That plan shall be developed in consultation with stakeholders, and the plan and its implementation shall be approved by the company's shareholders, where applicable. It shall include, in particular:***

Or. en

## Amendment 167

### Proposal for a directive Article 15 – paragraph 1 – point a (new)

*Text proposed by the Commission*

*Amendment*

***(a) short, medium and long-term targets related to sustainability matters, including absolute greenhouse gas emission reduction targets for scope 1, 2 and 3 emissions for 2030 and reviewed every five years up to 2050, explaining their alignment with a 1.5°C climate scenario with no or limited overshoot and where such targets are based on science, pursuant to the latest recommendations of***

*the IPCC and the European Scientific Advisory Board on Climate Change. Before targets are set, the identification of risks and impacts shall be done beforehand. Companies active in the energy and agricultural sectors shall specify the share of methane emissions, including their methane emissions reduction plan;*

Or. en

### **Amendment 168**

#### **Proposal for a directive Article 15 – paragraph 1 – point b (new)**

*Text proposed by the Commission*

*Amendment*

*(b) a consideration of the risks and impacts of climate action for the company, an identification of decarbonisation levers within the company's business and value chain, and related financial and investment plans;*

Or. en

### **Amendment 169**

#### **Proposal for a directive Article 15 – paragraph 1 – point c (new)**

*Text proposed by the Commission*

*Amendment*

*(c) implementing actions to achieve the company's climate targets, based on current scientific evidence and data covering their scope 1, 2, and 3 emissions.*

Or. en

## Amendment 170

### Proposal for a directive Article 15 – paragraph 2

*Text proposed by the Commission*

2. Member States shall ensure that, *in case climate change is or should have been identified as a principal risk for, or a principal impact of, the company's operations, the company includes emission reduction objectives in its plan.*

*Amendment*

2. Member States shall ensure that *each* company's plan *is evidence-based, regularly updated and is clear, transparent, accurate, comprehensive, comparable and consistent, by following best practices.*

Or. en

## Amendment 171

### Proposal for a directive Article 15 – paragraph 3

*Text proposed by the Commission*

3. *Member States shall ensure that companies duly take into account the fulfilment of the obligations referred to in paragraphs 1 and 2 when setting variable remuneration, if variable remuneration is linked to the contribution of a director to the company's business strategy and long-term interests and sustainability.*

*Amendment*

*deleted*

Or. en

*Justification*

*Moved to Article 26*

## Amendment 172

### Proposal for a directive Article 16 – paragraph 1

*Text proposed by the Commission*

1. Member States shall ensure that

*Amendment*

1. Member States shall ensure that

each company referred to in Article 2(2) designates a legal or natural person as its authorised representative, established or domiciled in one of the Member States where it operates. The designation shall be valid when confirmed as accepted by the authorised representative.

each company referred to in Article 2(2) designates a legal or natural person as its authorised representative, established or domiciled in one of the Member States where it operates. The designation shall be valid when confirmed as accepted by the authorised representative. ***Member States shall regularly publish an up to date list of authorised representatives under their jurisdiction.***

Or. en

### **Amendment 173**

#### **Proposal for a directive Article 17 – paragraph 7**

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

7. The Commission shall make publicly available, including on its website, a list of the supervisory authorities. The Commission shall regularly update the list on the basis of the information received from the Member States.

##### *Amendment*

7. The Commission shall make publicly available, including on its website, a list of the supervisory ***authorities, and, when a Member State has several supervisory authorities, the respective competences of those*** authorities. The Commission shall regularly update the list on the basis of the information received from the Member States.

Or. en

### **Amendment 174**

#### **Proposal for a directive Article 17 – paragraph 8**

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

8. Member States shall guarantee the independence of the supervisory authorities and ***shall*** ensure that they, and all persons working for or who have worked for them and auditors or experts acting on their behalf, exercise their powers impartially,

##### *Amendment*

8. ***Member States shall ensure that the supervisory authorities have the necessary personal, technical and financial resources, premises, infrastructure, and expertise to carry out their duties effectively, and*** Member States

transparently and with due respect for obligations of professional secrecy. In particular, Member States shall ensure that the authority is legally and functionally independent from the companies falling within the scope of this Directive or other market interests, that its staff and the persons responsible for its management are free of conflicts of interest, subject to confidentiality requirements, and that they refrain from any action incompatible with their duties.

shall guarantee the independence of the supervisory authorities and ensure that they, and all persons working for or who have worked for them and auditors or experts acting on their behalf, exercise their powers impartially, transparently and with due respect for obligations of professional secrecy. In particular, Member States shall ensure that the authority is legally and functionally independent from the companies falling within the scope of this Directive or other market interests, that its staff and the persons responsible for its management are free of conflicts of interest, subject to confidentiality requirements, and that they refrain from any action incompatible with their duties.

Or. en

## Amendment 175

### Proposal for a directive Article 18 – paragraph 1

#### *Text proposed by the Commission*

1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks assigned to them under this Directive, including the power to request information and carry out investigations related to compliance with the obligations set out in this Directive.

#### *Amendment*

1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks assigned to them under this Directive, including the power to request ***and obtain*** information and carry out investigations, ***including on-the-spot checks and interviews of relevant stakeholders, in particular trade unions and workers' representatives***, related to compliance with the obligations set out in this Directive.

Or. en

## Amendment 176

### Proposal for a directive Article 18 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. Without prejudice to their independence, supervisory authorities may also provide assistance to companies seeking to effectively implement their due diligence plans, and issue guidance and information on due diligence best practices.***

Or. en

### **Amendment 177**

#### **Proposal for a directive Article 18 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. A supervisory authority may initiate an investigation on its own motion or as a result of substantiated concerns communicated to it pursuant to Article 19, where it considers that it has ***sufficient*** information indicating a possible breach by a company of the obligations provided for in the national provisions adopted pursuant to this Directive.

2. A supervisory authority may initiate an investigation on its own motion or as a result of substantiated concerns communicated to it pursuant to Article 19, where it considers that it has information indicating a possible breach by a company of the obligations provided for in the national provisions adopted pursuant to this Directive.

Or. en

### **Amendment 178**

#### **Proposal for a directive Article 18 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. Inspections shall be conducted in compliance with the national law of the Member State in which the inspection is carried out and ***with*** prior warning to the company, except where prior notification ***hinders*** the effectiveness of the inspection.

3. Inspections shall be conducted in compliance with the national law of the Member State in which the inspection is carried out and ***without*** prior warning to the company, except where prior notification ***is necessary in order to ensure***

Where, as part of its investigation, a supervisory authority wishes to carry out an inspection on the territory of a Member State other than its own, it shall seek assistance from the supervisory authority in that Member State pursuant to Article 21(2).

the effectiveness of the inspection. Where, as part of its investigation, a supervisory authority wishes to carry out an inspection on the territory of a Member State other than its own, it shall seek assistance from the supervisory authority in that Member State pursuant to Article 21(2).

Or. en

## **Amendment 179**

### **Proposal for a directive**

#### **Article 18 – paragraph 4 – subparagraph 2**

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

Taking remedial action does not preclude the imposition of administrative sanctions or the triggering of civil liability in case of damages, in accordance with Articles 20 and 22, respectively.

##### *Amendment*

Taking remedial action does not preclude the imposition of administrative sanctions or the triggering of civil liability, **including** in case of damages in accordance with Articles 20 and 22, respectively.

Or. en

## **Amendment 180**

### **Proposal for a directive**

#### **Article 18 – paragraph 5 – point c**

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

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

##### *Amendment*

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

Or. en

## **Amendment 181**

### **Proposal for a directive**

#### **Article 18 – paragraph 7 a (new)**

*Text proposed by the Commission*

*Amendment*

**7a. Supervisory authorities shall publish and regularly update a list of all companies subject to this Directive.**

Or. en

## **Amendment 182**

**Proposal for a directive**

**Article 18 – paragraph 7 b (new)**

*Text proposed by the Commission*

*Amendment*

**7b. Member States shall ensure that the supervisory authorities keep records of the investigations referred to in paragraph 1, indicating, in particular, their nature and result, as well as records of any notice of remedial action issued under paragraph 5. Competent authorities shall publish an annual activity report with the most serious cases of non-compliance and explaining how they were dealt with, with due regard to commercial confidentiality.**

Or. en

## **Amendment 183**

**Proposal for a directive**

**Article 18 – paragraph 7 c (new)**

*Text proposed by the Commission*

*Amendment*

**7c. Decisions of supervisory authorities regarding a company's compliance with this Directive shall be without prejudice to the company's civil liability under Article 22. In the context of ongoing civil liability proceedings, supervisory authorities shall share any information they may have at their**



*disposal about a given company with the court before which the proceedings brought under Article 22 are to be heard.*

Or. en

## Amendment 184

### Proposal for a directive Article 19 – paragraph 1

*Text proposed by the Commission*

1. Member States shall ensure that natural and legal persons are entitled to submit substantiated concerns to any supervisory authority when they have reasons to believe, on the basis of objective circumstances, that a company is failing to comply with the national provisions adopted pursuant to this Directive ('substantiated concerns').

*Amendment*

1. Member States shall ensure that natural and legal persons are entitled to ***easily*** submit substantiated concerns to any supervisory authority when they have reasons to believe, on the basis of objective circumstances, that a company is failing to comply with the national provisions adopted pursuant to this Directive ('substantiated concerns').

Or. en

## Amendment 185

### Proposal for a directive Article 19 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. Member States shall ensure that, where persons submitting substantiated concerns so request, the supervisory authority takes the necessary measures for the appropriate protection of the identity of that person and for the appropriate protection of any other information, which, if disclosed, would be harmful to that person.***

Or. en

## Amendment 186

### Proposal for a directive Article 19 – paragraph 2

*Text proposed by the Commission*

2. Where the substantiated concern falls under the competence of another supervisory authority, the authority receiving the concern shall transmit it to that authority.

*Amendment*

2. Where the substantiated concern falls under the competence of another supervisory authority, the authority receiving the concern shall transmit it to that authority ***and inform the person that has submitted a substantiated concern as provided for in paragraph 1.***

Or. en

## Amendment 187

### Proposal for a directive Article 19 – paragraph 4

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## Amendment 188

### Proposal for a directive Article 19 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4a. The supervisory authority shall make available to the person that has***

*submitted a substantiated concern all information regarding the measures taken, and shall allow that person to provide additional information in response to the evidence received from the company.*

Or. en

## **Amendment 189**

### **Proposal for a directive Article 19 – paragraph 5**

*Text proposed by the Commission*

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

*Amendment*

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

Or. en

## **Amendment 190**

### **Proposal for a directive Article 19 – paragraph 5 a (new)**

*Text proposed by the Commission*

*Amendment*

*5a. Any such procedure shall be fair, equitable, timely and not prohibitively expensive. Member States shall ensure that practical information is made available to the public on access to administrative and judicial review procedures.*

Or. en

## Amendment 191

### Proposal for a directive Article 20 – paragraph 2

#### *Text proposed by the Commission*

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

#### *Amendment*

2. In deciding whether to impose sanctions and, if so, in determining their nature and appropriate level, due account shall be taken of:

- (a) the company's efforts to comply with any remedial action required of them by a supervisory authority;
- (b) any investments made and any targeted support provided pursuant to Articles 7 and 8;
- (c) **any** collaboration with other entities to address adverse impacts in its value chains;
- (d) **the severity and duration of the company's infringement, or the severity of any potential or actual adverse impact**, as the case may be;
- (e) **the extent to which prioritisation decisions were reasonable, credible and taken in good faith**;
- (f) **any previous infringements by the company of national provisions adopted pursuant to this Directive**;
- (g) **the financial benefits gained or losses avoided by the company due to the infringement, if the relevant data are available**;
- (h) **penalties imposed in respect of the same infringement in other Member**

*States;*

*(i) the degree to which the company has dealt with complaints or proposals raised by stakeholders, including pursuant to Article 9;*

*(j) any other aggravating or mitigating factors applicable to the circumstances of the case.*

Or. en

## **Amendment 192**

### **Proposal for a directive Article 20 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

*3a. Sanctions may also include the request to perform an action, exclusion from public procurement, from export credits, from trade missions and from advisory bodies to governments.*

Or. en

## **Amendment 193**

### **Proposal for a directive Article 20 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

4. Member States shall ensure that any decision of the supervisory authorities containing sanctions related to the breach of the provisions of this directive is published.

4. Member States shall ensure that any decision of the supervisory authorities containing sanctions related to the breach of the provisions of this directive is published *no later than a month after the sanction is imposed.*

Or. en

## Amendment 194

### Proposal for a directive

#### Article 21 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

The Commission *may* invite Union agencies with relevant expertise in the areas covered by this Directive to join the European Network of Supervisory Authorities.

*Amendment*

The Commission *shall* invite *the European Agency for Fundamental Rights, the European Environment Agency, the European Labour Authority and the European Securities and Markets Authority and other* Union agencies with relevant expertise in the areas covered by this Directive to join the European Network of Supervisory Authorities.

Or. en

## Amendment 195

### Proposal for a directive

#### Article 21 – paragraph 8 a (new)

*Text proposed by the Commission*

*Amendment*

**8a.** *The Commission shall regularly communicate on the activities of the network.*

Or. en

## Amendment 196

### Proposal for a directive

#### Article 22 – paragraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(a) they failed to comply with the obligations laid down in *Articles 7 and 8* and;

(a) they *or a company under their control* failed to comply with the obligations laid down in *this Directive* and;

Or. en

## Amendment 197

### Proposal for a directive Article 22 – paragraph 1 – point b

*Text proposed by the Commission*

(b) as a result of this failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures laid down in **Articles 7 and 8 occurred** and led to damage.

*Amendment*

(b) as a result of this failure ***the company or a company under their control caused or contributed to*** an adverse impact that should have been identified, prevented, mitigated, brought to an end, ***remedied*** or its extent minimised through the appropriate measures laid down in ***this Directive*** and led to damage.

Or. en

## Amendment 198

### Proposal for a directive Article 22 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

***Notwithstanding*** paragraph 1, Member States shall ensure that where a company ***has taken the actions referred to in Article 7(2), point (b) and Article 7(4), or Article 8(3), point (c), and Article 8(5)***, it shall not be liable ***for damages caused by an adverse impact arising as a result of the activities of an indirect partner with whom it has an established business relationship***, unless it was unreasonable, in the circumstances of the case, to expect that the action actually taken, including as regards verifying compliance, would be ***adequate*** to prevent, mitigate, bring to an end or minimise the extent of the adverse impact.

*Amendment*

***Where there is a claim for damages in accordance with paragraph 1 and the claimant provides prima facie elements substantiating the likelihood of the defendant's liability***, Member States shall ensure that where a company ***can demonstrate that it complied with its obligations under this Directive***, it shall not be liable, unless it was unreasonable, in the circumstances of the case, to expect that the action actually taken, including as regards verifying compliance, would be ***an appropriate measure*** to prevent, mitigate, bring to an end or minimise the extent of the adverse impact.

Or. en

## Amendment 199

### Proposal for a directive

#### Article 22 – paragraph 2 – subparagraph 2

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

In the assessment of the existence and extent of liability ***under this paragraph***, due account shall be taken of the company's efforts, insofar as they relate directly to the damage in question, to ***comply with any*** remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as any collaboration with other entities to address adverse impacts in its value chains.

##### *Amendment*

In the assessment of the existence and extent of liability, due account shall be taken of the company's efforts, insofar as they relate directly to the damage in question, to ***take*** remedial action, ***including that*** required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as any collaboration with other entities ***and affected stakeholders*** to address adverse impacts in its value chains.

Or. en

## Amendment 200

### Proposal for a directive

#### Article 22 – paragraph 2 a (new)

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

##### *Amendment*

- 2a. Member States shall ensure that:***
- (a) the limitation period for bringing actions for damages is at least ten years, and that such period is to be interrupted or suspended, depending on national law, if the supervisory authority is taking action under Article 18;***
  - (b) claimants are able to seek injunctive measures before Union courts, including summary proceedings. These shall be in the form of a definitive or provisional measure to cease an action which may be in breach of this Directive, or to comply with a measure in this Directive;***
  - (c) measures are in place to ensure that costs of the proceedings are not***



*prohibitively expensive for claimants to seek justice, which may include structural support, legal aid and limitation of court and administrative fees;*

*(d) measures are in place to ensure that trade unions and civil society organisations acting in the public interest can jointly bring actions for the protection of a group of victims;*

*(e) when a claim is brought, that a claimant provides elements substantiating the likelihood of a company's liability under this Directive and has indicated that additional evidence lies in the control of the company, courts are able to order that such evidence be disclosed by the company in accordance with national procedural law, subject to the Union and national rules on confidentiality and proportionality.*

Or. en

## Amendment 201

### Proposal for a directive Article 22 – paragraph 4

#### *Text proposed by the Commission*

4. The civil liability rules under this Directive shall be without prejudice to Union or national rules on civil liability related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.

#### *Amendment*

4. The civil liability rules under this Directive shall be without prejudice to Union or national rules on civil liability, ***including rules on joint and several liability***, related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.

Or. en

## Amendment 202

### Proposal for a directive Article 24 – paragraph 1

*Text proposed by the Commission*

Member States shall ensure that companies applying for public support certify that no sanctions have been imposed on them for a failure to comply with the obligations of this Directive.

*Amendment*

Member States shall ensure that companies applying for public support certify that no sanctions have been imposed on them for a failure to comply with the obligations of this Directive ***in the 3 years prior to the application.***

Or. en

## Amendment 203

### Proposal for a directive Article 24 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***In accordance with Article 18(2) of Directive 2014/24/EU of the European Parliament and of the Council<sup>129d</sup>, Article 36(2) of Directive 2014/25/EU of the European Parliament and of the Council<sup>129e</sup> and Article 30(3) of Directive 2014/23/EU of the European Parliament and of the Council<sup>129f</sup>, Member States shall take appropriate measures to ensure that in the performance of public procurement or concession contracts companies comply with the obligations laid down in national provisions adopted pursuant to Articles 4 to 11a of this Directive.***

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<sup>129d</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

<sup>129e</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26

*February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).*

*<sup>129f</sup> Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1).*

Or. en

## Amendment 204

### Proposal for a directive Article 25 – paragraph 1

*Text proposed by the Commission*

1. Member States shall ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies referred to in Article 2(1) **take into account** the consequences of their decisions for sustainability matters, including, **where applicable**, human rights, climate change **and** environmental **consequences, including** in the short, medium and long term.

*Amendment*

1. Member States shall ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies referred to in Article 2(1) **evaluate and address** the consequences of their decisions for sustainability matters, including human rights, climate change, environmental **and good governance actual or potential adverse impacts** in the short, medium and long term.

Or. en

## Amendment 205

### Proposal for a directive Article 26 – title

*Text proposed by the Commission*

Setting up **and** overseeing due diligence

*Amendment*

Setting up, overseeing **and incentivising** due diligence **and plans to combat climate change**

**Amendment 206****Proposal for a directive  
Article 26 – paragraph 1***Text proposed by the Commission*

1. Member States shall ensure that directors of companies referred to in Article 2(1) are responsible for putting in place and overseeing the due diligence actions referred to in Article 4 **and in particular the due diligence policy referred to in Article 5**, with due consideration for relevant input from stakeholders **and** civil society organisations. The directors shall report to the board of directors in that respect.

*Amendment*

1. Member States shall ensure that directors of companies referred to in Article 2(1) are responsible for putting in place and overseeing the due diligence actions referred to in Article 4, **and for ensuring that the overall business model and strategy of the company is aligned to the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement as provided for in Article 15**, with due consideration for relevant input from stakeholders, **including** civil society organisations **and trade unions and workers' representatives**. The directors shall **regularly** report to the board of directors in that respect.

**Amendment 207****Proposal for a directive  
Article 26 – paragraph 2***Text proposed by the Commission*

2. Member States shall ensure that directors **take steps to** adapt the **corporate** strategy to **take into account** the actual and potential adverse impacts identified pursuant to Article 6 and any measures taken pursuant to Articles 7 to 9.

*Amendment*

2. Member States shall ensure that directors adapt the **business model and** strategy to **address sustainability risks and** the actual and potential adverse impacts identified pursuant to Article 6 and any measures taken pursuant to Articles 7 to 9 **and the plan to combat climate change adopted pursuant to Article 15**.

## Amendment 208

### Proposal for a directive

#### Article 26 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2a. Member States shall ensure that companies duly take into account the fulfilment of the obligations referred to in paragraphs 1 and 2 when setting variable remuneration for directors, with a significant portion of that remuneration to be linked to the achievement of sustainability targets, in particular greenhouse gas emission reduction targets.**

Or. en

*Justification*

*Moved from Article 15*

## Amendment 209

### Proposal for a directive

#### Article 29 – paragraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(a) whether the thresholds regarding the number of **employees** and net turnover laid down in Article 2(1) need to be lowered;

(a) whether the thresholds regarding the number of **workers** and net turnover laid down in Article 2(1) need to be lowered;

Or. en

## Amendment 210

### Proposal for a directive

#### Article 29 – paragraph 1 – point d

*Text proposed by the Commission*

*Amendment*

**(d) whether Articles 4 to 14 should be extended to adverse climate impacts.**

**deleted**

Or. en

## **Amendment 211**

### **Proposal for a directive Annex I – Part I – subheading 1**

*Text proposed by the Commission*

*Amendment*

**Violations of** rights and prohibitions included in international human rights agreements

Rights and prohibitions included in international human rights agreements

Or. en

## **Amendment 212**

### **Proposal for a directive Annex I – Part I – subheading 1– point 1**

*Text proposed by the Commission*

*Amendment*

1. **Violation of** the people's right to dispose of a land's natural resources and to not be deprived of means of subsistence in accordance with Article 1 of the International Covenant on Civil and Political Rights;

1. The people's right to dispose of a land's natural resources and to not be deprived of means of subsistence in accordance with Article 1 of the International Covenant on Civil and Political Rights;

Or. en

## **Amendment 213**

### **Proposal for a directive Annex I – Part I – subheading 1 – point 2**

*Text proposed by the Commission*

2. **Violation of** the right to life and security in accordance with Article 3 of the Universal Declaration on Human rights;

*Amendment*

2. The right to life and security in accordance with Article 3 of the Universal Declaration on Human rights;

Or. en

**Amendment 214**

**Proposal for a directive**

**Annex I – Part I – subheading 1 – point 3**

*Text proposed by the Commission*

3. **Violation of** the prohibition of torture, cruel, inhuman or degrading treatment in accordance with Article 5 of the Universal Declaration of Human Rights;

*Amendment*

3. The prohibition of torture, cruel, inhuman or degrading treatment in accordance with Article 5 of the Universal Declaration of Human Rights;

Or. en

**Amendment 215**

**Proposal for a directive**

**Annex I – Part I – subheading 1 – point 4**

*Text proposed by the Commission*

4. **Violation of** the right to liberty and security in accordance with Article 9 of the Universal Declaration of Human Rights;

*Amendment*

4. The right to liberty and security in accordance with Article 9 of the Universal Declaration of Human Rights;

Or. en

**Amendment 216**

**Proposal for a directive**

**Annex I – Part I – subheading 1 – point 5**

*Text proposed by the Commission*

5. **Violation of** the prohibition of arbitrary or unlawful interference with a person's privacy, family, home or correspondence and attacks on their reputation, in accordance with Article 17 of the Universal Declaration of Human Rights;

*Amendment*

5. The prohibition of arbitrary or unlawful interference with a person's privacy, family, home or correspondence and attacks on their reputation, in accordance with Article 17 of the Universal Declaration of Human Rights;

Or. en

**Amendment 217**

**Proposal for a directive  
Annex I – Part I – subheading 1 – point 6**

*Text proposed by the Commission*

6. **Violation of** the prohibition of interference with the freedom of thought, conscience and religion in accordance with Article 18 of the Universal Declaration of Human Rights;

*Amendment*

6. The prohibition of interference with the freedom of thought, conscience and religion in accordance with Article 18 of the Universal Declaration of Human Rights;

Or. en

**Amendment 218**

**Proposal for a directive  
Annex I – Part I – subheading 1 – point 7**

*Text proposed by the Commission*

7. **Violation of** the right to enjoy just and favourable conditions of work including **a fair wage**, a decent living, safe and healthy working conditions and reasonable limitation of working hours in accordance with Article 7 of the International Covenant on Economic, Social and Cultural Rights;

*Amendment*

7. The right to enjoy just and favourable conditions of work including **remuneration that provides for** a decent living, safe and healthy working conditions and reasonable limitation of working hours. **This includes both the right to a fair wage for employees and the right to a living income for self-employed workers and smallholders** in accordance with Article 7 of the International Covenant on



## Amendment 219

### Proposal for a directive

#### Annex I – Part I – subheading 1 – point 7 a (new)

*Text proposed by the Commission*

*Amendment*

**7 a. The right to an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and to continuous improvement of living conditions in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;**

## Amendment 220

### Proposal for a directive

#### Annex I – Part I – subheading 1 – point 8

*Text proposed by the Commission*

*Amendment*

8. **Violation of** the prohibition to restrict workers' access to adequate housing, if the workforce is housed in accommodation provided by the company, and to restrict workers' access to adequate food, clothing, and water and sanitation in the work place in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;

8. The prohibition to restrict workers' access to adequate housing, if the workforce is housed in accommodation provided by the company, and to restrict workers' access to adequate food, clothing, and water and sanitation in the work place in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;

## Amendment 221

### Proposal for a directive Annex I – Part I – subheading 1 – point 9

*Text proposed by the Commission*

9. **Violation of** the right of the child to have his or her best interests given primary consideration in all decisions and actions that affect children in accordance with Article 3 of the Convention of the Rights of the Child; **violation of** the right of the child to develop to his or her full potential in accordance with Article 6 of the Convention of the Rights of the Child; **violation of** the right of the child to the highest attainable standard of health in accordance with Article 24 of the Convention on the Rights of the Child; **violation of** the right to social security and an adequate standard of living in accordance with Article 26 and 27 of the Convention on the Rights of the Child; **violation of** the right to education in accordance with Article 28 of the Convention on the Rights of the Child; **violation of** the right of the child to be protected from all forms of sexual exploitation and sexual abuse and to be protected from being abducted, sold or moved illegally to a different place in or outside their country for the purpose of exploitation, in accordance with Articles 34 and 35 of the Convention of the Rights of the Child;

*Amendment*

9. The right of the child to have his or her best interests given primary consideration in all decisions and actions that affect children in accordance with Article 3 of the Convention of the Rights of the Child; the right of the child to develop to his or her full potential in accordance with Article 6 of the Convention of the Rights of the Child; the right of the child to the highest attainable standard of health in accordance with Article 24 of the Convention on the Rights of the Child; the right to social security and an adequate standard of living in accordance with Article 26 and 27 of the Convention on the Rights of the Child; the right to education in accordance with Article 28 of the Convention on the Rights of the Child; the right of the child to be protected from all forms of sexual exploitation and sexual abuse and to be protected from being abducted, sold or moved illegally to a different place in or outside their country for the purpose of exploitation, in accordance with Articles 34 and 35 of the Convention of the Rights of the Child;

Or. en

## Amendment 222

### Proposal for a directive Annex I – Part I – subheading 1 – point 10

*Text proposed by the Commission*

10. **Violation of** the prohibition of the

*Amendment*

10. The prohibition of the employment

employment of a child under the age at which compulsory schooling is completed and, in any case, is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of the International Labour Organization Minimum Age Convention, 1973 (No. 138);

of a child under the age at which compulsory schooling is completed and, in any case, is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of the International Labour Organization Minimum Age Convention, 1973 (No. 138);

Or. en

## **Amendment 223**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 11 – introductory part**

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

**Violation of** the prohibition of child labour pursuant to Article 32 of the Convention on the Rights of the Child, including the worst forms of child labour for children (persons below the age of 18 years) in accordance with Article 3 of the of the International Labour Organization Worst Forms of Child Labour Convention, 1999 (No. 182). This includes:

##### *Amendment*

The prohibition of child labour pursuant to Article 32 of the Convention on the Rights of the Child, including the worst forms of child labour for children (persons below the age of 18 years) in accordance with Article 3 of the of the International Labour Organization Worst Forms of Child Labour Convention, 1999 (No. 182). This includes:

Or. en

## **Amendment 224**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 12**

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

12. **Violation of** the prohibition of forced labour; this includes all work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered himself or herself voluntarily, for example as a result of debt bondage or trafficking in

##### *Amendment*

12. The prohibition of forced labour; this includes all work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered himself or herself voluntarily, for example as a result of debt bondage or trafficking in human beings;

human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of International Labour Organization Forced Labour Convention, 1930 (No. 29) or with Article 8 (3) (b) and (c) of the International Covenant on Civil and Political Rights;

excluded from forced labour are any work or services that comply with Article 2 (2) of International Labour Organization Forced Labour Convention, 1930 (No. 29) or with Article 8 (3) (b) and (c) of the International Covenant on Civil and Political Rights;

Or. en

## **Amendment 225**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 13**

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

13. **Violation of** the prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation in accordance with Article 4 of the Universal Declaration of Human Rights and Art. 8 of the International Covenant on Civil and Political Rights;

##### *Amendment*

13. The prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation in accordance with Article 4 of the Universal Declaration of Human Rights and Art. 8 of the International Covenant on Civil and Political Rights;

Or. en

## **Amendment 226**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 14**

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

14. **Violation of** the prohibition of human trafficking in accordance with Article 3 of the Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime;

##### *Amendment*

14. The prohibition of human trafficking in accordance with Article 3 of the Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime;

**Amendment 227****Proposal for a directive****Annex I – Part I – subheading 1 – point 15 – introductory part***Text proposed by the Commission*

**Violation of** the right to freedom of association, assembly, the rights to organise and collective bargaining in accordance with Article 20 of the Universal Declaration of Human Rights, Articles 21 and 22 of the International Covenant on Civil and Political Rights Article 8 of the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the International Labour Organization Right to Organise and Collective Bargaining Convention, 1949 (No. 98), including the following rights:

*Amendment*

The right to freedom of association, assembly, the rights to organise and collective bargaining in accordance with Article 20 of the Universal Declaration of Human Rights, Articles 21 and 22 of the International Covenant on Civil and Political Rights Article 8 of the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the International Labour Organization Right to Organise and Collective Bargaining Convention, 1949 (No. 98), including the following rights:

Or. en

**Amendment 228****Proposal for a directive****Annex I – Part I – subheading 1 – point 16***Text proposed by the Commission*

16. **Violation of** the prohibition of unequal treatment in employment, unless this is justified by the requirements of the employment in accordance with Article 2 and Article 3 of the International Labour Organisation Equal Remuneration Convention, 1951 (No. 100), Article 1 and Article 2 of the International Labour Organisation Discrimination (Employment and Occupation) Convention, 1958 (No.

*Amendment*

16. The prohibition of unequal treatment in employment, unless this is justified by the requirements of the employment in accordance with Article 2 and Article 3 of the International Labour Organisation Equal Remuneration Convention, 1951 (No. 100), Article 1 and Article 2 of the International Labour Organisation Discrimination (Employment and Occupation) Convention, 1958 (No.

111) and Article 7 of the International Covenant on Economic, Social and Cultural Rights; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;

111) and Article 7 of the International Covenant on Economic, Social and Cultural Rights; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;

Or. en

## **Amendment 229**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 17**

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

17. **Violation of** the prohibition of withholding an adequate living wage in accordance with Article 7 of the International Covenant on Economic, Social and Cultural Rights;

##### *Amendment*

17. The prohibition of withholding an adequate living wage in accordance with Article 7 of the International Covenant on Economic, Social and Cultural Rights;

Or. en

## **Amendment 230**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 18 – introductory part**

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

**Violation of** the prohibition of causing any measurable environmental degradation, such as harmful soil change, water or air pollution, harmful emissions or excessive water consumption or other impact on natural resources, that

##### *Amendment*

The prohibition of causing any measurable environmental degradation, such as harmful soil change, water or air pollution, harmful emissions or excessive water consumption or other impact on natural resources, that

Or. en

## Amendment 231

### Proposal for a directive

#### Annex I – Part I – subheading 1 – point 18 – point a

*Text proposed by the Commission*

(a) impairs the natural bases for the preservation and production of food or

*Amendment*

(a) impairs the natural bases for the preservation and production of food **and feed** or

Or. en

## Amendment 232

### Proposal for a directive

#### Annex I – Part I – subheading 1 – point 19

*Text proposed by the Commission*

19. **Violation of** the prohibition to unlawfully evict or take land, forests and waters when acquiring, developing or otherwise use land, forests and waters, including by deforestation, the use of which secures the livelihood of a person in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;

*Amendment*

19. The prohibition to unlawfully evict or take land, forests and waters when acquiring, developing or otherwise use land, forests and waters, including by deforestation, the use of which secures the livelihood of a person in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;

Or. en

## Amendment 233

### Proposal for a directive

#### Annex I – Part I – subheading 1 – point 19 a (new)

*Text proposed by the Commission*

*Amendment*

**19a. The rights of indigenous peoples to self-determination in accordance with Article 3 and their right to be consulted in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories**

*and other resources, in accordance with Article 32 of the United Nations Declaration on the Rights of Indigenous Peoples;*

Or. en

## **Amendment 234**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 20**

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

20. **Violation of** the indigenous peoples' right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired in accordance with Article 25, 26 (1) and (2), 27, and 29 (2) of the United Nations Declaration on the Rights of Indigenous Peoples;

##### *Amendment*

20. The indigenous peoples' right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired in accordance with Article 25, 26 (1) and (2), 27, and 29 (2) of the United Nations Declaration on the Rights of Indigenous Peoples;

Or. en

## **Amendment 235**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 1 – point 21**

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

21. **Violation of** a prohibition or right not covered by points 1 to 20 above but included in the human rights agreements listed in Section 2 of this Part, which directly impairs a legal interest protected in those agreements, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the obligations referred to in Article 4 of this Directive taking into account all relevant circumstances of their operations, such as

##### *Amendment*

21. A prohibition or right not covered by points 1 to 20 above but included in the human rights agreements listed in Section 2 of this Part, which directly impairs a legal interest protected in those agreements, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the obligations referred to in Article 4 of this Directive taking into account all relevant circumstances of their operations, such as



the sector and operational context.

the sector and operational context.

Or. en

### **Amendment 236**

#### **Proposal for a directive Annex I – Part I – subheading 2**

*Text proposed by the Commission*

2. Human rights and fundamental freedoms conventions

*Amendment*

2. Human rights and fundamental freedoms conventions ***and instruments***

***These include, amongst others:***

Or. en

### **Amendment 237**

#### **Proposal for a directive Annex I – Part I – subheading 2 – indent 6 a (new)**

*Text proposed by the Commission*

*Amendment*

- ***The International Convention for the Protection of All Persons from Enforced Disappearance;***

Or. en

### **Amendment 238**

#### **Proposal for a directive Annex I – Part I – subheading 2 – indent 7 a (new)**

*Text proposed by the Commission*

*Amendment*

- ***The United Nations Declaration of the Elimination of Violence against Women;***

Or. en

## **Amendment 239**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 10 a (new)**

*Text proposed by the Commission*

*Amendment*

- *The United Nations Declaration on Human Rights Defenders;*

Or. en

## **Amendment 240**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 10 b (new)**

*Text proposed by the Commission*

*Amendment*

- *The International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families;*

Or. en

## **Amendment 241**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 11**

*Text proposed by the Commission*

*Amendment*

— The Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities;

— The *United Nations* Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities;

Or. en

## **Amendment 242**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 11 a (new)**

*Text proposed by the Commission*

*Amendment*

- *The United Nations Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief;*

Or. en

## **Amendment 243**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 11 b (new)**

*Text proposed by the Commission*

*Amendment*

- *The United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas;*

Or. en

## **Amendment 244**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 14 a (new)**

*Text proposed by the Commission*

*Amendment*

- *The International Labour Organisation's Indigenous and Tribal Peoples' Convention, 1989 (No. 169)*

Or. en

## **Amendment 245**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 14 b (new)**

*Text proposed by the Commission*

*Amendment*

- *The International Labour Organisation's Domestic Workers Convention, 2011 (No. 189);*

Or. en

## **Amendment 246**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 14 c (new)**

*Text proposed by the Commission*

*Amendment*

- *The International Labour Organisation's Violence and Harassment Convention, 2019 (No. 190)*

Or. en

## **Amendment 247**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 20 a (new)**

*Text proposed by the Commission*

*Amendment*

- *Occupational Safety and Health Convention, 1981 (No. 155)*

Or. en

## **Amendment 248**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 23 a (new)**

*Text proposed by the Commission*

*Amendment*

- ***The International humanitarian law instruments:***
- ***Four Geneva Conventions of 1949;***
- ***Convention (I) for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field***
- ***Convention (II) for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of the Armed Forces at Sea***
- ***Convention (III) relative to the Treatment of Prisoners of War***
- ***Convention (IV) relative to the Protection of Civilian Persons in Time of War***
- ***Additional protocols to the Geneva Conventions***

Or. en

## **Amendment 249**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 23 b (new)**

*Text proposed by the Commission*

*Amendment*

- ***United Nations Basic Principles and Guidelines on the Right to a Remedy and Reparation of Victims of Gross Violations of International Human Rights Law and Serious Violations of International Humanitarian Law***

Or. en

## **Amendment 250**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 - indent 23 c (new)**

*Text proposed by the Commission*

*Amendment*

- ***UNHRC Resolution on the Human Right to a Safe, Clean, Health and Sustainable Environment.***

Or. en

## **Amendment 251**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 23 d (new)**

*Text proposed by the Commission*

*Amendment*

- ***The European Convention on Human Rights***

Or. en

## **Amendment 252**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 23 e (new)**

*Text proposed by the Commission*

*Amendment*

- ***The Charter of Fundamental Rights of the European Union***

Or. en

## **Amendment 253**

### **Proposal for a directive**

#### **Annex I – Part I – subheading 2 – indent 23 f (new)**

*Text proposed by the Commission*

*Amendment*

- ***The European Social Charter***

Or. en

#### **Amendment 254**

**Proposal for a directive**

**Annex I – Part I – subheading 2 – indent 23 g (new)**

*Text proposed by the Commission*

*Amendment*

- ***United Nations Protocol against the Smuggling of Migrants by Land, Sea and Air supplementing the United Nations Convention against Transnational Organized Crime***

Or. en

#### **Amendment 255**

**Proposal for a directive**

**Annex I – Part I – subheading 2 – indent 23 h (new)**

*Text proposed by the Commission*

*Amendment*

- ***The European Convention on The Legal Status of Migrant Workers***

Or. en

#### **Amendment 256**

**Proposal for a directive**

**Annex I – Part I - subheading 2 – indent 23 i (new)**

*Text proposed by the Commission*

*Amendment*

- ***Council of Europe Convention on preventing and combating violence***

*against women and domestic violence*

Or. en

**Amendment 257**

**Proposal for a directive  
Annex I – Part II – subheading 1**

*Text proposed by the Commission*

violations of internationally recognized objectives and prohibitions included in environmental conventions

*Amendment*

violations of ***Union and*** internationally recognized objectives and prohibitions included in environmental conventions ***and Union legislation***

Or. en

**Amendment 258**

**Proposal for a directive  
Annex I – Part II – point 12 a (new)**

*Text proposed by the Commission*

*Amendment*

***12a. Violation of the greenhouse gas emissions reduction objectives of the Paris Agreement under the United Nations Framework on Climate Changes, the European Climate Law, and the Global Methane Pledge.***

Or. en

**Amendment 259**

**Proposal for a directive  
Annex I – Part II a (new)**

*Text proposed by the Commission*

*Amendment*

***IIa Violations of internationally recognized objectives and prohibitions***



*included in good governance and anti-corruption conventions*

- 1. United Nations Convention Against Corruption, 2003*
- 2. United Nations Basic Principles on the Independence of the Judiciary, 1985*
- 3. United Nations Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power, 1985*
- 4. Council of Europe Civil Law on Corruption, 1999*
- 5. OECD Anti-Bribery Convention, 1997*
- 6. European Union Convention against Corruption Involving Officials (EU Convention against Corruption)*
- 7. Principle Ten on Anti-Corruption of the UN Global Compact*

Or. en

## ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the draft report:

93 Gruppen
American Bar Association
American Chamber of Commerce in Belgium (AmCham Belgium)
American University College of Law
Amnesty International
Anti-Slavery International
Association française des entreprises privées (AFEP)
Association of Financial Markets in Europe (AFME)
Austrian Chamber of Labour (AK)
Bayer AG
Business & Human Rights Resource Centre
Business Europe
Centraal Bureau Levensmiddelenhandel (CBL)
Clean Clothes Campaign
ClientEarth
Coopération Internationale pour le Développement et la Solidarité (CIDSE)
Cornell University
Danish Institute for Human Rights
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Deutscher Gewerkschaftsbund (DGB)
Digital Europe
E3G
Economy for the Common Good (ECG)
Ecopreneur
Erasmus Universiteit Rotterdam
Ernst and Young (EY)
Eurochambres
Eurogroup for Animals
Eurometaux
European Association of Auto Suppliers (CLEPA)
European Branded Clothing Alliance (EBCA)
European Coalition for Corporate Justice (ECCJ)
European Cocoa Association
European Economic and Social Committee (EESC)
European Federation of Building and Woodworkers (EFBWW)
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)

European Federation of Jewellery
European Securities and Markets Association (ESMA)
European Trade Union Confederation (ETUC)
European Trade Union Institute (ETUI)
European University Institute
Evofenedex
Federatie Nederlandse Vakbeweging (FNV)
Federation Bancaire Francaise (FBF)
Finnish Trade Union Representation to the EU
Finnwatch
Frank Bold
Friedrich-Ebert-Stiftung
Friends of the Earth Europe
Germanwatch
GLOBAL 2000
Global Witness
Greenpeace Nederland
Initiatief Duurzaam en Verantwoord Ondernemen (IDVO)
Institut Jacques Delors
International Alert
International Federation for Human Rights
Green Trade Network
Mission of Norway to the EU
MVO Platform
Nederlandse Vereniging van Banken
Nestlé
Notre Affaire à Tous
NOVA School of Law
Open Society Foundations
Organisation for Economic Cooperation and Development (OECD)
Oxfam
Pensioenfederatie
Quifactum
Rutgers Law School
Search for Common Ground
Shift Project
Sociaal-Economische Raad (SER)
Solidaridad
Stichting Vredesbeweging Pax Nederland (PAX)
The Responsible Contracting Project
Tony's Chocolonely
TUI Group
UNICEF

Unionen
University of Utrecht
Verbraucherzentrale Bundesverband (VZBV)
Vereniging VNO-NCW
World Benchmarking Alliance
World Wide Fund for Nature (WWF)