



Brussels, 14 May 2025
(OR. en)

Interinstitutional File:
2025/0045(COD)

8792/25
ADD 1

SIMPL 25
ANTICI 30
ECOFIN 523
EF 143
DRS 40
COMPET 353
FIN 500
COH 68
CODEC 576

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	8 May 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. prev. doc.:	6596/25 - COM (2025) 81 final
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements - Technical working document produced in connection with ECB Opinion CON/2025/10

Delegations will find attached the above-mentioned technical working document.



EUROPEAN CENTRAL BANK

EUROSYSTEM

Technical working document

produced in connection with ECB Opinion CON/2025/10¹

Drafting proposals on the proposal for a Directive of the European Parliament and of the Council amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements

Text proposed by the Commission	Amendments proposed by the ECB ²
<p style="text-align: center;">Amendment 1</p> <p style="text-align: center;">Recitals 3 and 4</p>	
<p>'(3) Article 26a(1) of Directive 2006/43/EC requires Member States to ensure that statutory auditors and audit firms carry out the assurance of sustainability reporting in compliance with limited assurance standards to be adopted by the Commission. Article 26a(3) of that Directive requires the Commission to adopt those standards by 1 October 2026. Undertakings have raised concerns on the work carried out by the assurance providers and have expressed the need for flexibility in addressing specific risks and critical issues identified in the areas of sustainability assurance. To enable the Commission to take account of those concerns, it should be given more flexibility in adopting those standards. In any case, the Commission will issue targeted assurance guidelines by 2026 that clarify the necessary procedures that assurance providers are to perform as part of</p>	<p>'(3) Article 26a(1) of Directive 2006/43/EC requires Member States to ensure that statutory auditors and audit firms carry out the assurance of sustainability reporting in compliance with limited assurance standards to be adopted by the Commission. Article 26a(3) of that Directive requires the Commission to adopt those standards by 1 October 2026. Undertakings have raised concerns on the work carried out by the assurance providers and have expressed the need for flexibility in addressing specific risks and critical issues identified in the areas of sustainability assurance. To enable the Commission to take account of those concerns, it should be given more flexibility in adopting those standards. In any case, the Commission will issue targeted—assurance guidelines for limited assurance engagement by 2026 that clarify the necessary procedures that assurance providers are to perform as part of their limited assurance</p>

¹ This technical working document is produced in English only and communicated to the relevant Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

² Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

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<p>their limited assurance engagement before adopting the standards by delegated act.</p> <p>(4) Article 26a(3), second subparagraph, of Directive 2006/43/EC empowers the Commission to adopt standards for reasonable assurance by 1 October 2028, following an assessment of feasibility. To avoid an increase in costs of assurance for undertakings, the requirement to adopt such standards for reasonable assurance should be removed.'</p>	<p>engagement before adopting the standards by delegated act at the earliest opportunity thereafter.</p> <p>(4) Article 26a(3), second subparagraph, of Directive 2006/43/EC empowers the Commission to adopt standards for reasonable assurance by 1 October 2028, following an assessment of feasibility. To ensure that sufficient time is given to develop these standards, and thereby to avoid an increase in costs of assurance for undertakings, the timeline for the requirement to adopt such standards for reasonable assurance should be removed extended to 1 October 2030.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that the Commission's targeted assurance guidelines (i.e. guidelines for limited assurance engagement) should be adopted and published as soon as possible. Ideally, these guidelines should be followed promptly by binding standards for limited assurance engagement. Moreover, the ECB recommends retention of the possibility for the Commission to further enhance the verification process, by adopting standards for reasonable assurance engagement, with an extended timeline.</i></p> <p><i>See section 3.5 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 2</p> <p style="text-align: center;">Recital 5</p>	
<p>'(5) Article 19a(1) of Directive 2013/34/EU requires large undertakings and small and medium-sized undertakings with securities admitted to trading on an EU regulated market, excluding micro-undertakings, to prepare and publish a sustainability statement at individual level. To reduce the reporting burden on undertakings, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large undertakings with an average of more than 1000 employees during the financial year. Considering that for an undertaking to be large it has to exceed two out of the three criteria in Article 3(4) of Directive 2013/34/EU, this means that to be subject to the</p>	<p>'(5) Article 19a(1) of Directive 2013/34/EU requires large undertakings and small and medium-sized undertakings with securities admitted to trading on an EU regulated market, excluding micro-undertakings, to prepare and publish a sustainability statement at individual level. To reduce the reporting burden on undertakings, the obligation to prepare and publish a sustainability statement at individual level should be reduced to large. Large undertakings with an average of more than 1 000 employees during the financial year should report in accordance with sustainability reporting standards. Large undertakings with an average number of employees during the financial year that is more than 500, but fewer than 1 000</p>

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<p>reporting requirements an undertakings must have an average of more than 1000 employees during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million.’</p>	<p>(hereinafter “medium-large undertakings”) should report in accordance with simplified sustainability reporting standards, to be developed and adopted by the Commission through delegated acts no later than 12 months after entry into force of this Directive. Considering that for an undertaking to be large it has to exceed two out of the three criteria in Article 3(4) of Directive 2013/34/EU, this means that to be subject to the reporting requirements an undertaking must have an average of more than 1 000 or 500 employees, respectively, during the financial year and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million. The simplified sustainability reporting standards for medium-large undertakings should be proportionate and relevant to the capacities and characteristics of such undertakings, to the scale and complexity of their activities, and to the associated environmental, social and governance (ESG) risks and opportunities.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>To ensure that the scope of the sustainability reporting requirement is well calibrated, the ECB recommends the inclusion in the proposed amendments to the Corporate Sustainability Reporting Directive (CSRD) of a reporting obligation for large undertakings, and parent undertakings of large groups, with an average of more than 500 but fewer than 1 000 employees. These medium-large undertakings could be subject to a reporting requirement in accordance with dedicated simplified sustainability reporting standards that are proportionate and relevant to the capacities and characteristics of such undertakings, and to the scale and complexity of their activities.</i></p> <p><i>See section 3.1 of the ECB Opinion.</i></p>	

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<p style="text-align: center;">Amendment 3</p> <p style="text-align: center;">Recital 7</p>	
<p>‘(7) Article 1(3) of Directive 2013/34/EU specifies that credit institutions and insurance undertakings that are large undertakings or small and medium-size undertakings – excluding micro-undertakings – with securities admitted to trading on an EU regulated market are subject to the sustainability reporting requirements set out in that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with an average of more than 1000 employees during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings.’</p>	<p>‘(7) Article 1(3) of Directive 2013/34/EU specifies that credit institutions and insurance undertakings that are large undertakings or small and medium-size undertakings – excluding micro-undertakings – with securities admitted to trading on an EU regulated market are subject to the sustainability reporting requirements set out in that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with an average of more than 4000 500 employees during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings. Due to the importance of ensuring sufficient ESG data from the banking sector, all credit institutions that are significant institutions, regardless of their size, should be subject to the sustainability reporting requirements set out in that Directive.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that at least all significant institutions, regardless of the number of employees, should remain subject to sustainability reporting requirements.</i></p> <p><i>See section 3.1, in particular paragraph 3.1.7, of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 4</p> <p style="text-align: center;">Recital 9</p>	
<p>‘(9) Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking’s own operations and about its value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking, for the purposes of reporting sustainability information at individual or at consolidated level, as required</p>	<p>‘(9) Article 19a(3) of Directive 2013/34/EU requires undertakings to report information about the undertaking’s own operations and about its value chain. It is necessary to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability. The reporting undertaking, for the purposes of reporting sustainability information at individual or at consolidated level, as required by Directive</p>

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<p>by Directive 2013/34/EU, and without prejudice to Union requirements to conduct a due diligence process, should therefore not seek to obtain from undertakings established in or outside of the Union in its value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings reporting on their value chain in accordance with those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to obtain from undertakings in their value chain that have up to 1000 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information.'</p>	<p>2013/34/EU, and without prejudice to information requests for other purposes, including Union requirements to conduct a due diligence process, should therefore not seek to obtain from undertakings established in or outside of the Union in its value chain that have up to 4000 500 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such undertakings in its value chain any additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings reporting on their value chain in accordance with those limitations should be deemed to comply with the obligation to report on their sustainability. Assurance providers should prepare their assurance opinion respecting the obligation on undertakings not to seek to obtain from undertakings in their value chain that have up to 4000500 employees on average during the financial year any information that goes beyond the information specified in the standards for voluntary use by undertakings that are not required to report on their sustainability. For that purpose, the Commission should be empowered to adopt a delegated act to provide for sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability. Those standards should be proportionate to, and relevant for, the capacities and the characteristics of those undertakings and to the scale and complexity of their activities. Those standards should also specify, where possible, the structure to be used to present that information.'</p>

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<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB welcomes the fact that the drafting of the value chain cap ensures that undertakings can still request sustainability information for purposes other than sustainability reporting under the CSRD. The ECB recommends a drafting suggestion to ensure further clarity on this point.</i></p> <p><i>See sections 3.1 and 3.3 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 5</p> <p style="text-align: center;">Recital 12</p>	
<p>‘(6) Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement at consolidated level. To reduce the reporting burden on those parent undertakings, the scope of that obligation should be reduced to parent undertakings of large groups with an average of more than 1000 employees, on a consolidated basis, during the financial year.’</p>	<p>‘(6) Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement at consolidated level. To reduce the reporting burden on those parent undertakings, the scope of that obligation should be reduced. to parent Parent undertakings of large groups with an average of more than 1 000 employees, on a consolidated basis, during the financial year should report in accordance with sustainability reporting standards. Parent undertakings of large groups with an average number of employees during the financial year that is more than 500, but fewer than 1 000, employees, on a consolidated basis (hereinafter “medium-large groups”) should also report in accordance with the simplified sustainability reporting standards.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 6</p> <p style="text-align: center;">Recital 13</p>	
<p>‘(13) Article 29b(1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt sector-specific reporting standards by way of delegated acts, with a first set of such standards to be adopted by 30 June 2026. To avoid an</p>	<p>‘(13) Article 29b(1), third subparagraph, Directive 2013/34/EU empowers the Commission to adopt sector-specific reporting standards by way of delegated acts, with a first set of such standards to be adopted by 30 June 2026. To avoid an increase</p>

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increase in the number of prescribed datapoints that undertakings should report, that empowerment should be removed.'	in the number of prescribed datapoints that undertakings should report, ensure that sufficient time is given to develop these standards, that they are integrated with the other standards, and that they effectively contribute to simplification and harmonisation, the prescribed timeline for that empowerment should be removed. In the interim, the Commission will issue sector-specific guidelines, to support undertakings in capturing the risks, opportunities and impacts they face in specific sectors in a harmonised and comparable manner.'
<p style="text-align: center;"><u>Explanation</u></p> <p><i>In view of the benefits of sector-specific standards, the ECB recommends that the proposed amendments to the CSRD should retain the empowerment for the Commission to adopt such standards. However, the timeline for the adoption of such standards could be left open. In the interim, or in the event that empowerment is removed, the ECB encourages the Commission to consider adopting sector-specific guidelines.</i></p> <p><i>See section 3.6 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 7</p> <p style="text-align: center;">Recital 17</p>	
'(17) Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-country undertaking that generates a net turnover of more than EUR 150 million in the Union, or, in the absence of such subsidiary, a branch in the Union that generates a net turnover of more than EUR 40 million, is to publish and make accessible sustainability information at the group level of the third country parent undertaking. To reach closer alignment with the criteria used to define which undertakings are in the scope of Directive (EU) 2024/1760, the net turnover threshold for the third-country undertaking should be raised from EUR 150 000 000 to EUR 450 000 000. For reasons of consistency and	'(17) Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-country undertaking that generates a net turnover of more than EUR 150 million in the Union, or, in the absence of such subsidiary, a branch in the Union that generates a net turnover of more than EUR 40 million, is to publish and make accessible sustainability information at the group level of the third country parent undertaking. To reach closer alignment with the criteria used to define which undertakings are in the scope of Directive (EU) 2024/1760, the net turnover threshold for the third-country undertaking should be raised from EUR 150 000 000 to EUR 450 000 000. For reasons of consistency and burden reduction, the size for a subsidiary undertaking and

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<p>burden reduction, the size for a subsidiary undertaking and a branch to be in scope of Article 40a should be adjusted. The size of the subsidiary undertaking should be that of a large undertaking, whilst the net turnover criteria for the branch should be raised from EUR 40 000 000 to EUR 50 000 000, to align with the net turnover threshold for large undertakings.'</p>	<p>a branch to be in scope of Article 40a should be adjusted. The size of the subsidiary undertaking should be that of a large undertaking, whilst the net turnover criteria for the branch should be raised from EUR 40 000 000 to EUR 50 000 000, to align with the net turnover threshold for large undertakings.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The scope of the sustainability reporting obligation has also been reduced in respect of third-country undertakings. These amendments will mean that a larger number of third-country undertakings with activities in the Union will not be required to comply with sustainability reporting requirements than is the case under the current CSRD. This increases the gap in data availability between Union and third-country undertakings, with negative consequences for financial institutions' risk management. Therefore, the ECB recommends that the turnover thresholds in respect of third-country undertakings should not be amended.</i></p> <p><i>See paragraph 3.1.9 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 8</p> <p style="text-align: center;">Recitals 18 and 19</p>	
<p>'(18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than. 1000 employees on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be removed.</p>	<p>'(18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than- 4000500 employees on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be removed.</p> <p>(19) Article 5(2), third subparagraph, of Directive</p>

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<p>(19) Article 5(2), third subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2004/109/EC, with different dates depending on the size of the issuer concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 employees on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings should be removed.'</p>	<p>(EU) 2022/2464 specifies the dates by which the Member States are to apply the sustainability reporting requirements set out in Directive 2004/109/EC, with different dates depending on the size of the issuer concerned. Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 4000500 employees on average during the financial year, and that the scope of the consolidated sustainability reporting requirements should be reduced accordingly, the criteria for determining the dates of application should be adjusted, and the reference to small and medium-sized undertakings should be removed.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 9</p> <p style="text-align: center;">Recital 26</p>	
<p>'(26) To ensure better alignment of Directive (EU) 2024/1760 with the sustainability reporting regime laid down in Directive (EU) 2022/2464, the requirement to put into effect the transition plan for climate change mitigation should be replaced by a clarification that the obligation of companies to adopt a transition plan includes outlining implementing actions, planned and taken. The obligation to adopt the plan and its initial and updated design remains subject to administrative supervision.'</p>	<p>'(26) To ensure better alignment of Directive (EU) 2024/1760 with the sustainability reporting regime laid down in Directive (EU) 2022/2464, the requirement to put into effect the transition plan for climate change mitigation should be replaced complemented by a clarification that the obligation of companies to adopt a transition plan includes outlining implementing actions, planned and taken. The obligation to adopt the plan and its initial and updated design remains subject to administrative supervision.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that the relevant provision on transition plans in the proposed amendments to the Corporate Sustainability Due Diligence Directive (CSDDD) should be drafted more clearly, to ensure that transition plans are put into effect.</i></p>	

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See section 4.1 of the ECB Opinion.	
<p style="text-align: center;">Amendment 10</p> <p style="text-align: center;">Recital 29</p>	
<p>‘(29) Article 36(1) of Directive (EU) 2024/1760 requires the Commission to submit by no later than 26 July 2026 a report to the European Parliament and to the Council on the necessity of laying down additional sustainability due diligence requirements tailored to regulated financial undertakings with respect to the provision of financial services and investment activities, and the options for such due diligence requirements and their impacts. As that review clause does not leave any time to take into account the experience with the newly established, general due diligence framework, it should be removed.’</p>	<p>‘(29) Article 36(1) of Directive (EU) 2024/1760 requires the Commission to submit by no later than 26 July 2026 a report to the European Parliament and to the Council on the necessity of laying down additional sustainability due diligence requirements tailored to regulated financial undertakings with respect to the provision of financial services and investment activities, and the options for such due diligence requirements and their impacts. As the original timeline envisaged in the—that review clause does not leave any time to take into account the experience with the newly established, general due diligence framework, it should be removed the timeline should be extended to 26 July 2030.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends the retention of the review clause in the CSDDD but proposes that it sets out a longer timeline for the preparation of the report by the Commission.</i></p> <p><i>See section 4.2 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 11</p> <p style="text-align: center;">Article 1, point (1)</p> <p style="text-align: center;">(replacing Article 26a(3) of Directive 2006/43/EC)</p>	
<p>‘3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a in order to supplement this Directive in order to provide for limited assurance standards setting out the procedures that the auditor(s) and the audit firm(s) shall perform in order to draw his, her or its conclusions on the assurance of sustainability reporting, including engagement planning, risk consideration and response to risks and type of conclusions to be included in the assurance report on sustainability reporting,</p>	<p>‘3. The Commission shall be empowered to adopt delegated acts in accordance with Article 48a in order to supplement this Directive in order to provide for limited assurance standards setting out the procedures that the auditor(s) and the audit firm(s) shall perform in order to draw his, her or its conclusions on the assurance of sustainability reporting, including engagement planning, risk consideration and response to risks and type of conclusions to be included in the assurance report on sustainability reporting, or, where relevant, in the</p>

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<p>or, where relevant, in the audit report.</p> <p>The Commission may adopt the assurance standards referred to in the first subparagraph only where those standards:</p> <p>(a) have been developed with proper due process, public oversight and transparency;</p> <p>(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and</p> <p>(c) are conducive to the Union public good.’</p>	<p>audit report.</p> <p>The Commission shall, no later than 1 October 2030, adopt delegated acts in accordance with Article 48a in order to provide for reasonable assurance standards, following an assessment to determine if reasonable assurance is feasible for auditors and for undertakings. Taking into account the results of that assessment and if therefore appropriate, those delegated acts shall specify the date from which the assurance opinion referred to in Article 34(1) second subparagraph, point (aa), of Directive 2013/34/EU is to be based on a reasonable assurance engagement that is based on those reasonable assurance standards.</p> <p>The Commission may adopt the assurance standards referred to in the first and second subparagraphs only where those standards:</p> <p>(a) have been developed with proper due process, public oversight and transparency;</p> <p>(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and</p> <p>(c) are conducive to the Union public good.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends the retention of the possibility for the Commission to further enhance the verification process, by adopting standards for reasonable assurance engagement, with an extended timeline to allow for sufficient time to elapse following the first years of reporting under the CSRD.</i></p> <p><i>See section 3.5 of the ECB Opinion.</i></p>	
<p style="text-align: center;">Amendment 12</p> <p style="text-align: center;">Article 2, point (1)(a)</p> <p style="text-align: center;">(replacing the introductory wording of Article 1(3) of Directive 2013/34/EU)</p>	
<p>‘in paragraph 3, the introductory wording is replaced by the following:</p> <p>‘The coordination measures prescribed by</p>	<p>‘in paragraph 3, the introductory wording is replaced by the following:</p> <p>‘The coordination measures prescribed by Articles</p>

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<p>Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that those undertakings are large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year:’;</p>	<p>19a, 19b, 29a, 29aa, 29d, 30 and 33, Article 34(1), second subparagraph, point (aa), Article 34(2) and (3), and Article 51 of this Directive shall also apply to the laws, regulations and administrative provisions of the Member States relating to the following undertakings regardless of their legal form, provided that those undertakings are large undertakings: which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year:’;</p> <p>(a) insurance undertakings within the meaning of Article 2(1) of Council Directive 91/674/EEC(*), which, on their balance sheet dates, exceed the average number of 500 employees during the financial year;</p> <p>(b) credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council(**), which, on their balance sheet dates, exceed the average number of 500 employees during the financial year; and</p> <p>(c) institutions subject to direct supervision by the European Central Bank pursuant to Article 6(4) of Council Regulation (EU) No 1024/2013(***).</p> <p>(*) Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings (OJ L 374, 31.12.1991, p. 7, ELI: http://data.europa.eu/eli/dir/1991/674/oj).</p> <p>(**) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p> <p>(***) Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of</p>

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	credit institutions (OJ L 287, 29.10.2013, p. 63, ELI: http://data.europa.eu/eli/reg/2013/1024/oj).
<p align="center"><u>Explanation</u></p> <p><i>See paragraph 3.1.7 of the ECB Opinion, and amendments 2 and 3, as regards the scope of the sustainability reporting obligation.</i></p>	
<p align="center">Amendment 13</p> <p align="center">Article 2, point (2)(a)</p> <p align="center">(replacing the first subparagraph of Article 19a(1) of Directive 2013/34/EU)</p>	
<p>‘Large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year shall include in their management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.’</p>	<p>‘Large undertakings which, on their balance sheet dates, exceed the average number of 4000 500 employees during the financial year shall include in their management report information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position.’</p>
<p align="center"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p align="center">Amendment 14</p> <p align="center">Article 2, point (2)(b)(i)</p> <p align="center">(replacing the first subparagraph of Article 19a(3) of Directive 2013/34/EU)</p>	
<p>‘Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking’s own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that</p>	<p>‘Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the undertaking’s own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 4000 500 employees during the financial year any information that exceeds the information</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'</p>	<p>specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 4000 500 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 15</p> <p style="text-align: center;">Article 2, point (2)(b)(ii)</p> <p style="text-align: center;">(adding a subparagraph to Article 19a(3) of Directive 2013/34/EU)</p>	
<p>'The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.'</p>	<p>'The first subparagraph is without prejudice to information requests for purposes other than for the reporting of sustainability information as required by this Directive, including Union requirements on undertakings to conduct a due diligence process.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.3 of the ECB Opinion, and amendment 4, as regards clarifications to the value chain cap.</i></p>	
<p style="text-align: center;">Amendment 16</p> <p style="text-align: center;">Article 2, point (2)(d) (new)</p> <p style="text-align: center;">(adding a new paragraph 5a to Article 19a of Directive 2013/34/EU)</p>	

Text proposed by the Commission	Amendments proposed by the ECB ²
No text.	<p>‘(d) the following paragraph 5a is inserted:</p> <p>‘By way of derogation from paragraphs 2 to 4, and without prejudice to paragraphs 9 and 10, large undertakings with an average number of employees during the financial year that is more than 500, but fewer than 1000 (hereinafter “medium-large undertakings”), parent undertakings of large groups with an average number of employees during the financial year that is more than 500, but fewer than 1000, on a consolidated basis (hereinafter, ‘medium-large groups’), and institutions referred to in Article 1(3), point (c), with an average number of employees during the financial year that is fewer than 1000 may limit their sustainability reporting to the following information:</p> <p>(a) a brief description of the undertaking’s business model and strategy, including:</p> <p>(i) the resilience of the undertaking’s business model and strategy in relation to risks related to sustainability matters;</p> <p>(ii) the plans of the undertaking, including implementing actions and related financial and investment plans, to ensure that its business model and strategy 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 under the United Nations Framework Convention on Climate Change adopted on 12 December 2015 (the ‘Paris Agreement’) and the objective of achieving climate neutrality by 2050 as established in Regulation (EU) 2021/1119 of the European Parliament and of the Council(*), and, where relevant, the exposure of the undertaking to coal-, oil- and gas-related activities;</p> <p>(iii) how the undertaking’s strategy has been</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
	<p>implemented with regard to sustainability matters;</p> <p>(b) a description of the time-bound targets related to sustainability matters set by the undertaking, including, where appropriate, absolute greenhouse gas emission reduction targets at least for 2030 and 2050, and a description of the progress the undertaking has made towards achieving those targets;</p> <p>(c) a description of the undertaking's policies in relation to sustainability matters;</p> <p>(d) a description of the principal actual or potential adverse impacts connected with the undertaking on sustainability matters, and any actions taken to identify, monitor, prevent, mitigate or remediate such actual or potential adverse impacts;</p> <p>(e) the principal risks to the undertaking related to sustainability matters and how the undertaking manages those risks;</p> <p>(f) key indicators necessary for the disclosures referred to in points (a) to (e).</p> <p>Undertakings that rely on the derogation referred to in the first subparagraph shall report in accordance with the simplified sustainability reporting standards referred to in Article 29ba.</p> <p>* Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).⁷</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>Medium-large undertakings, medium-large groups and significant institutions with fewer than 1000 employees that are not otherwise captured under the definitions of medium-large undertakings and</i></p>	

Text proposed by the Commission	Amendments proposed by the ECB ²
<p><i>groups could be subject to a reporting obligation in accordance with dedicated simplified sustainability reporting standards that are proportionate and relevant to the capacities and characteristics of such undertakings, and to the scale and complexity of their activities.</i></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 17</p> <p style="text-align: center;">Article 2, point (2)(e) (amending Article 19(9) of Directive 2013/34/EU)</p>	
<p>‘Provided that the conditions set out in the second subparagraph of this paragraph are met, an undertaking which is a subsidiary undertaking shall be exempted from the obligations set out in paragraphs 1 to 4 of this Article (“the exempted subsidiary undertaking”) if such under taking and its subsidiary undertakings are included in the consolidated management report of a parent undertaking, drawn up in accordance with Articles 29 and 29a. An undertaking which is a subsidiary undertaking of a parent undertaking that is established in a third country shall also be exempted from the obligations set out in paragraphs 1 to 4 of this Article where such undertaking and its subsidiary undertakings are included in the consolidated sustainability reporting of that parent undertaking that is established in a third country and where that consolidated sustainability reporting is carried out in accordance with the sustainability reporting standards adopted pursuant to Article 29b or in a manner equivalent to those sustainability reporting standards, as determined in accordance with an implementing act on the equivalence of sustainability reporting standards adopted pursuant to the third sub paragraph of Article 23(4) of Directive 2004/109/EC of the European Parliament and of the Council.’</p>	<p>‘Provided that the conditions set out in the second subparagraph of this paragraph are met, an undertaking which is a subsidiary undertaking shall be exempted from the obligations set out in paragraphs 1 to 4 of this Article (“the exempted subsidiary undertaking”) if such under taking and its subsidiary undertakings are included in the consolidated management report of a parent undertaking, drawn up in accordance with Articles 29 and 29a. An undertaking which is a subsidiary undertaking of a parent undertaking that is established in a third country shall also be exempted from the obligations set out in paragraphs 1 to 4 of this Article where such undertaking and its subsidiary undertakings are included in the consolidated sustainability reporting of that parent undertaking that is established in a third country and where that consolidated sustainability reporting is carried out in accordance with the sustainability reporting standards adopted pursuant to Articles 29b and 29ba or in a manner equivalent to those sustainability reporting standards, as determined in accordance with an implementing act on the equivalence of sustainability reporting standards adopted pursuant to the third sub paragraph of Article 23(4) of Directive 2004/109/EC of the European Parliament and of the Council.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>Companies exempted from the scope of the CSRD under Article 19a(9) of Directive 2013/34/EU should</i></p>	

Text proposed by the Commission	Amendments proposed by the ECB ²
<i>not be required to carry out sustainability reporting in accordance with simplified sustainability reporting standards under the proposed Article 29ba.</i>	
<p style="text-align: center;">Amendment 18</p> <p style="text-align: center;">Article 2, point (4)(a)</p> <p style="text-align: center;">(replacing the first subparagraph of Article 29a(1) of Directive 2013/34/EU)</p>	
<p>‘Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees, on a consolidated basis, during the financial year, shall include in the consolidated management report information necessary to understand the group’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group’s development, performance and position.’</p>	<p>‘Parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 4000 500 employees, on a consolidated basis, during the financial year, shall include in the consolidated management report information necessary to understand the group’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the group’s development, performance and position.’</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 19</p> <p style="text-align: center;">Article 2, point (4)(b)(i)</p> <p style="text-align: center;">(replacing the first subparagraph of Article 29a(3) of Directive 2013/34/EU)</p>	
<p>‘Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group’s own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability</p>	<p>‘Where applicable, the information referred to in paragraphs 1 and 2 shall contain information about the group’s own operations and about its value chain, including its products and services, its business relationships and its supply chain. Member States shall ensure that, for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 4000 500 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>information that is commonly shared between undertakings in the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'</p>	<p>the sector concerned. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 4000 500 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned, shall be deemed to have complied with the obligation to report value chain information set out in this paragraph.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 20</p> <p style="text-align: center;">Article 2, point (4)(b)(ii)</p> <p style="text-align: center;">(adding a subparagraph to Article 29a(3) of Directive 2013/34/EU)</p>	
<p>'The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.'</p>	<p>'The first subparagraph is without prejudice to information requests for purposes other than for the reporting of sustainability information as required by this Directive, including Union requirements on undertakings to conduct a due diligence process.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.3 of the ECB Opinion, and amendment 4, as regards clarifications to the value chain cap.</i></p>	
<p style="text-align: center;">Amendment 21</p> <p style="text-align: center;">Article 2, point (6)</p> <p style="text-align: center;">(amending Article 29b of Directive 2013/34/EU)</p>	
<p>'(a) in paragraph 1, the third and fourth subparagraphs are deleted;</p> <p>(b) in paragraph 4, first subparagraph, the last</p>	<p>'(a) in paragraph 1, the third and fourth subparagraphs are deleted;</p> <p>(b) in paragraph 4, first subparagraph, the last</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>sentence is replaced by the following:</p> <p>‘Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information to be disclosed pursuant to the sustainability reporting standards for voluntary use referred to in Article 29ca.’;</p>	<p>sentence is replaced by the following:</p> <p>‘Sustainability reporting standards shall not specify disclosures that would require undertakings to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 4000500 employees during the financial year any information that exceeds the information to be disclosed pursuant to the sustainability reporting standards for voluntary use referred to in Article 29ca.’;</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p style="text-align: center;">Amendment 22</p> <p style="text-align: center;">Article 2, point (7a) (new)</p> <p style="text-align: center;">(inserting Article 29ba of Directive 2013/34/EU)</p>	
<p>No text</p>	<p>‘(7a) the following Article 29ba is inserted:</p> <p>“Article 29ba</p> <p>Simplified sustainability reporting standards for medium-large undertakings and medium-large groups</p> <p>1. By [12 months following the adoption of this amending Directive], the Commission shall adopt delegated acts, in accordance with Article 49, supplementing this Directive to provide for sustainability reporting standards for the entities referred to in Article 19a(5a) that are proportionate and relevant to their capacities and characteristics and to the scale and complexity of their activities, as well as to the associated sustainability-related risks and impacts. These sustainability reporting standards shall specify the information that is to be reported by the entities referred to in Article 19a(5a), in accordance with that paragraph.</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
	<p>The reporting requirements laid down in the delegated acts referred to in the first subparagraph shall not enter into force earlier than four months after their adoption by the Commission.</p> <p>2. The sustainability reporting standards referred to in paragraph 1 shall take into account the criteria set out in Article 29b(2) to (5). They shall also, to the extent possible, specify the structure to be used to present that information.</p> <p>3. The Commission shall, at least every three years after their date of application, review the delegated acts adopted pursuant to this Article, taking into consideration the technical advice of EFRAG and, where necessary, it shall amend such delegated acts to take into account relevant developments, including developments with regard to international standards.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p>See section 3.1 of the ECB Opinion, and amendments 2 and 16, as regards the scope of the sustainability reporting obligation.</p>	
<p style="text-align: center;">Amendment 23</p> <p style="text-align: center;">Article 2, point (8)</p> <p style="text-align: center;">(inserting Article 29ca of Directive 2013/34/EU)</p>	
<p>'Article 29ca</p> <p>Sustainability reporting standards for voluntary use</p> <p>1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1), the Commission shall adopt a delegated act by [4 months after entry into force of this Directive] in accordance with Article 49 supplementing this Directive to provide for sustainability reporting standards for voluntary use by such undertakings.</p>	<p>'Article 29ca</p> <p>Sustainability reporting standards for voluntary use</p> <p>1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1), the Commission shall adopt a delegated act by [4 months after entry into force of this Directive] in accordance with Article 49 supplementing this Directive to provide for sustainability reporting standards for voluntary use by such undertakings.</p> <p>2. The sustainability reporting standards referred to in paragraph 1 shall be proportionate to and relevant</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>2. The sustainability reporting standards referred to in paragraph 1 shall be proportionate to and relevant for the capacities and the characteristics of the undertakings for which they are designed and to the scale and complexity of their activities. They shall also, to the extent possible, specify the structure to be used to present such sustainability information.'</p>	<p>for the capacities and the characteristics of the undertakings for which they are designed and to the scale and complexity of their activities. They shall take into account the criteria set out in Article 19a(5a) and the simplified sustainability reporting standards under Article 29ba. They shall also, to the extent possible, specify the structure to be used to present such sustainability information.'</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB considers that the new voluntary standards should take into account the information required under the simplified sustainability reporting standards for medium-large undertakings and medium-large groups. The information contained in the voluntary standards should, in particular, enable undertakings within the scope of CSRD to obtain information that is relevant and material for their reporting, transition planning and due diligence purposes.</i></p> <p><i>See section 3.2 of the ECB Opinion and amendment 16.</i></p>	
<p style="text-align: center;">Amendment 24</p> <p style="text-align: center;">Article 2, point (11)</p> <p style="text-align: center;">(amending Article 34 of Directive 2013/34/EU)</p>	
<p>'(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:</p> <p>'(aa)where applicable, express an opinion based on a limited assurance engagement as regards the compliance of the sustainability reporting with the requirements of this Directive, including the compliance of the sustainability reporting with the sustainability reporting standards adopted pursuant to Article 29b, the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards, and the compliance with the requirement to mark up sustainability reporting in accordance with Article 29d, and as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852;'</p>	<p>'(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:</p> <p>'(aa)where applicable, express an opinion based on a limited assurance engagement as regards the compliance of the sustainability reporting with the requirements of this Directive, including the compliance of the sustainability reporting with the sustainability reporting standards adopted pursuant to Article 29b or Article 29ba, the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards, and the compliance with the requirement to mark up sustainability reporting in accordance with Article 29d, and as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852;'</p> <p>(b) the following paragraph 2a is inserted:</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>(b) the following paragraph 2a is inserted:</p> <p>‘2a. Member States shall ensure that the opinion referred to in paragraph 1, second subparagraph, point (aa), is prepared in full respect of the obligation on undertakings not to seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned.’;</p>	<p>‘2a. Member States shall ensure that the opinion referred to in paragraph 1, second subparagraph, point (aa), is prepared in full respect of the obligation on undertakings not to seek to obtain from undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of 4000 500 employees during the financial year any information that exceeds the information specified in the standards for voluntary use referred to in Article 29ca, except for additional sustainability information that is commonly shared between undertakings in the sector concerned.’;</p>
<p style="text-align: center;"><u>Explanation</u></p> <p>See section 3.1 of the ECB Opinion, and amendments 2, 16 and 22, as regards the scope of the sustainability reporting obligation.</p>	
<p style="text-align: center;">Amendment 25</p> <p style="text-align: center;">Article 2, point (12)</p> <p style="text-align: center;">(amending Article 40a(1) of Directive 2013/34/EU)</p>	
<p>‘in Article 40a, paragraph 1 is amended as follows:</p> <p>(a) the second subparagraph is replaced by the following:</p> <p>‘The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive’;</p> <p>(b) the fourth and fifth subparagraphs are replaced by the following:</p> <p>‘The rule referred to in the third subparagraph shall only apply to a branch where the third-country undertaking does not have a subsidiary undertaking as referred to in the first subparagraph, and where the branch generated a net turnover exceeding the threshold referred to in Article 3(4) point (b) of this Directive in the</p>	<p>‘in Article 40a, paragraph 1 is amended as follows:</p> <p>(a) the second subparagraph is replaced by the following:</p> <p>‘The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive’;</p> <p>(b) the fourth and fifth subparagraphs are replaced by the following:</p> <p>‘The rule referred to in the third subparagraph shall only apply to a branch where the third-country undertaking does not have a subsidiary undertaking as referred to in the first subparagraph, and where the branch generated a net turnover exceeding the threshold referred to in Article 3(4) point (b) of this Directive in the preceding financial year.</p> <p>The first and third subparagraphs shall only apply to</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>preceding financial year.</p> <p>The first and third subparagraphs shall only apply to the subsidiary undertakings or branches referred to in those subparagraphs where the third-country undertaking, at its group level, or, if not applicable, the individual level, generated a net turnover in the Union exceeding EUR 450 000 000 for each of the last two consecutive financial years.’;</p>	<p>the subsidiary undertakings or branches referred to in those subparagraphs where the third country undertaking, at its group level, or, if not applicable, the individual level, generated a net turnover in the Union exceeding EUR 450 000 000 for each of the last two consecutive financial years.’;</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See paragraph 3.1.9 of the ECB Opinion, and amendment 7, as regards the scope of the sustainability reporting obligation in respect of third-country undertakings.</i></p>	
<p style="text-align: center;">Amendment 26</p> <p style="text-align: center;">Article 2, point (13)</p> <p style="text-align: center;">(amending Article 49 of Directive 2013/34/EU)</p>	
<p>‘(a) the following paragraphs 3c to 3e are inserted:</p> <p>‘3c. The power to adopt delegated acts referred to in Articles 19b(5), 29aa(5) and 29ca shall be conferred on the Commission for an indeterminate period from [date of entry into force of amending Directive].</p> <p>3d. The delegations of powers referred to in Articles 19b(5), 29aa(5) and 29ca may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p> <p>3e. The Commission shall gather all necessary expertise, prior to the adoption and during the development of delegated acts pursuant to Articles 19b(5) and 29aa(5), including through</p>	<p>‘(a) the following paragraphs 3c to 3e are inserted:</p> <p>‘3c. The power to adopt delegated acts referred to in Articles 19b(5), 29aa(5), 29ba and 29ca shall be conferred on the Commission for an indeterminate period from [date of entry into force of amending Directive].</p> <p>3d. The delegations of powers referred to in Articles 19b(5), 29aa(5), 29ba and 29ca may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p> <p>3e. The Commission shall gather all necessary expertise, prior to the adoption and during the development of delegated acts pursuant to Articles 19b(5), and 29aa(5), and 29ba including through the consultation of the experts of the Member State</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
<p>the consultation of the experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852.’;</p> <p>(b) paragraph 5 is replaced by the following:</p> <p>‘5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa, Articles 29b, 29ca or 40b, or Article 46(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.’.</p>	<p>Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852.’;</p> <p>(b) paragraph 5 is replaced by the following:</p> <p>‘5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa, Articles 29b, 29ba, 29ca or 40b, or Article 46(2) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.’.</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendments 2, 16 and 22, as regards the scope of the sustainability reporting obligation, and in particular the adoption of simplified sustainability reporting standards for medium-large undertakings, medium-large groups and significant institutions with fewer than 1000 employees, that are not otherwise captured under the definition of medium-large undertakings and medium-large groups.</i></p>	
<p style="text-align: center;">Amendment 27</p> <p style="text-align: center;">Article 3, point (1)(b)</p> <p style="text-align: center;">(amending Article 5(2), first subparagraph, point (b), of Directive (EU) 2022/2464)</p>	
<p>‘(i) point (i) is replaced by the following:</p> <p>‘(i) to large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year;’;</p> <p>(ii) point (ii) is replaced by the following:</p> <p>‘(ii) to parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 employees, on a</p>	<p>‘(i) point (i) is replaced by the following:</p> <p>‘(i) to large undertakings which, on their balance sheet dates, exceed the average number of 1000 500 employees during the financial year;’;</p> <p>(ii) point (ii) is replaced by the following:</p> <p>‘(ii) to parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 500 employees, on a consolidated</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
consolidated basis, during the financial year;';	basis, during the financial year;';
<p align="center"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p align="center">Amendment 28</p> <p align="center">Article 3, point (2)(b)</p> <p align="center">(amending Article 5(2), third subparagraph, point (b), of Directive (EU) 2022/2464)</p>	
<p>'(i) point (i) is replaced by the following:</p> <p>'(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large undertakings within the meaning of Article 3(4) of Directive 2013/34/EU which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year;';</p> <p>(ii) point (ii) is replaced by the following:</p> <p>'(ii)to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are parent undertakings of a large group which, on its balance sheet dates, exceed the average number of 1000 employees , on a consolidated basis, during the financial year;';</p>	<p>'(i) point (i) is replaced by the following:</p> <p>'(i) to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are large undertakings within the meaning of Article 3(4) of Directive 2013/34/EU which, on their balance sheet dates, exceed the average number of 4000500 employees during the financial year;';</p> <p>(ii) point (ii) is replaced by the following:</p> <p>'(ii)to issuers as defined in Article 2(1), point (d) of Directive 2004/109/EC which are parent undertakings of a large group which, on its balance sheet dates, exceed the average number of 4000500 employees, on a consolidated basis, during the financial year;';</p>
<p align="center"><u>Explanation</u></p> <p><i>See section 3.1 of the ECB Opinion, and amendment 2, as regards the scope of the sustainability reporting obligation.</i></p>	
<p align="center">Amendment 29</p> <p align="center">Article 4, point (10a) (new)</p> <p align="center">(replacing Article 22(3) of Directive (EU) 2024/1760)</p>	
No text	<p>'(10a) in Article 22, paragraph 3 is replaced by the following:</p> <p>'(3) Member States shall ensure that the transition plan for climate change mitigation referred to in paragraph 1 is put into effect by the company, is updated every 12 months, and contains a description of the progress the</p>

Text proposed by the Commission	Amendments proposed by the ECB ²
	company has made towards achieving the targets referred to in paragraph 1, second subparagraph, point (a).’;
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends that the relevant provision on transition plans under the CSDDD should be drafted more clearly, since transition plans are not only a formal requirement, but also must be put into effect. See section 4.1 of the ECB Opinion and amendment 9.</i></p>	
<p style="text-align: center;">Amendment 30</p> <p style="text-align: center;">Article 4, point (13)</p> <p style="text-align: center;">(deleting Article 36(1) of Directive (EU) 2024/1760)</p>	
‘in Article 36, paragraph 1 is deleted.’	<p>‘in Article 36, paragraph 1 is deleted replaced by the following:</p> <p>‘1. The Commission shall submit a report to the European Parliament and to the Council on the necessity of laying down additional sustainability due diligence requirements tailored to regulated financial undertakings with respect to the provision of financial services and investment activities, and the options for such due diligence requirements as well as their impacts, in line with the objectives of this Directive.</p> <p>The report shall take into account other Union legislative acts that apply to regulated financial undertakings. It shall be published no later than 26 July 2030. It shall be accompanied, if appropriate, by a legislative proposal.’.</p>
<p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB recommends the retention of the review clause in the CSDDD but proposes that it should set out a longer timeline for the preparation of the report by the Commission.</i></p> <p><i>See section 4.2 of the ECB Opinion and amendment 10.</i></p>	